

# Herald INTERNATIONAL Tribune

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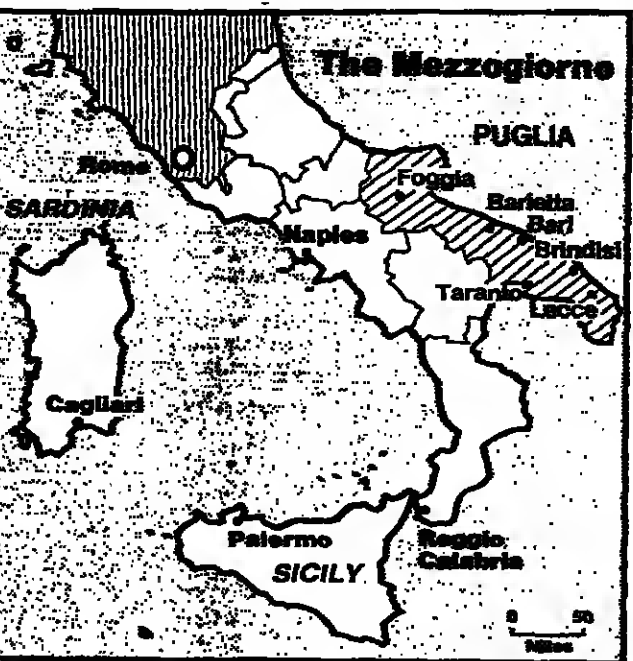
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PARIS, WEDNESDAY, JUNE 8, 1988

## In Depressed South, Spots of Prosperity

By Reginald Dale  
International Herald Tribune  
BARI, Italy — In Italy's depressed Deep South, the Mezzogiorno, the "leopard's spots" are seen as a hopeful sign of change. The spots are scattered new patches of prosperity in an area still sometimes more reminiscent of the Third World than an industrialized Western European nation. Bari, capital of the Puglia region, which the Roman poet Horace



first problem of the country," said Franco Reviglio, chairman of ENI, the giant state energy group. With the social fabric likely to deteriorate further as unemployment rises, "the situation in certain areas of the South is explosive," Mr. Reviglio said. "There is already terrorism, a drug explosion and sometimes riots," he said. "When there is a problem and you have, for example, to fire 100 people, the Ministry of the Interior will call you and say, 'Please don't.'"

Criticism of past government policy are wide-ranging. They include both wastage of public funds, which can only too easily fall prey to the Mafia or its local equivalent, and failure to spend the full sums allocated because of the inadequacies of regional administrative structures. A law for the Mezzogiorno passed in 1986 gave even greater authority to the provinces and communities in spending a further 21 trillion lire (\$16.4 billion) through 1995. Policy priorities are switching from state ownership to investment incentives and the development of advanced business services.

The government's critics charge, however, that it has succeeded in spending only one-third of the 3 trillion lire in special funds allocated to the Mezzogiorno in 1987. And if local authorities do not become more responsible, they say, the government's efforts will be in vain. In many respects the gap is widening. Unemployment in the South is 20 percent and rising, compared with the North's stable 8-percent rate. The Mezzogiorno is still "the



Mayor Hassan Tawil being helped by Israeli soldiers following an assassination attempt.

## An Arab Mayor Is Stabbed

Israelis Blame Palestinians for West Bank Attack

By Glenn Frankel  
Washington Post Staff Writer  
JERUSALEM — The Israeli-appointed mayor of the West Bank town of Birzeit was stabbed and seriously wounded Tuesday in what the authorities said was an assassination attempt by Palestinian militants. Hassan Tawil, 73, is the highest-ranking Arab official to be attacked by activists in their drive to kill those deemed to be "collaborators" with Israel's military occupation during the Palestinian uprising.

Arab leaders gather in Algiers to seek a way to aid Palestinians' revolt against Israel, Page 2.  
The Soviet foreign minister, in a policy shift on Israel, asks to meet Prime Minister Shamir, Page 2.

ing. The attempt on his life follows repeated calls for him and three fellow Palestinian mayors to resign. The assassination attempt marks a further escalation in Palestinian violence in the occupied West Bank and Gaza Strip.

In recent weeks, following the Israeli crackdown on organizers and activists, the uprising has moved from widespread confrontations by demonstrators wielding stones and bottles into more lethal attacks by smaller groups using Molotov cocktails, explosives and knives.

Israel officials said Mr. Tawil was stabbed outside his office at the city hall in Birzeit, about 16 kilometers (10 miles) north of Jerusalem. They said an assailant stabbed him in the heart, diaphragm, liver and stomach. At least two persons accused by the Palestinians of being collaborators have been killed and several others injured in the uprising, which is entering its seventh month this week. At least 200 Palestinians have died in the violence, along with an Israeli soldier and two Israeli civilians.

There are about a dozen Israeli-appointed mayors in West Bank towns and villages and perhaps 85 other appointed heads of local village councils. All have become prime targets for attacks since the uprising began Dec. 9. Several have been assaulted by youths or hit stones thrown at their cars and an undisclosed number have reportedly resigned, including the mayors of Nablus and Gaza City. The mayor of Jericho took refuge in Jordan for several

See ISRAEL, Page 2

## Italy: The Hard Tests to Come

Second of three articles  
called "fishy city," is in the middle of one of the spots. Today's inhabitants prefer their new nickname, "The Milan of the South."  
Local economists say Puglia's success is based on thriving agriculture, the presence of many small diversified private businesses and the notable absence of the Mafia. Its experience stands in sharp contrast to those of other southern regions, where huge state subsidies have often failed to generate genuine economic development. Past government policies of funding huge industrial projects in the Mezzogiorno, known as "cathedrals in the desert," have "probably in the long term created more problems than they have solved," said Giovanni Grono, dean of economics at the University of Bari. Bruno Trentin, national secretary of the Communist-dominated CGIL, Italy's largest trade union grouping, said, "Big industries have closed six months after opening, which they only did for the government subsidies. They had no local market and no surrounding network of small and medium enterprises."  
Despite about \$100 billion in government funds showered on the area since the 1950s, the Mezzogiorno's per capita income is 60 percent of that of the North. The

## Black Strike Weakens in South Africa

By William Claiborne  
Washington Post Service  
JOHANNESBURG — Continuing to defy emergency regulations, hundreds of thousands of black workers stayed at home Tuesday for the second day of a nationwide protest strike against restrictions placed on trade unions and anti-apartheid groups by the government.

However, employers' associations reported that many workers were beginning to drift back to work in some areas, amid signs that the three-day protest would fade in its final day Wednesday. As happened Monday, when an estimated million workers refused to report to their jobs, the heavily industrial Johannesburg and Durban areas were hardest hit, while the Cape Town area had the least participation. The Federated Chamber of Industries reported that absenteeism in the Johannesburg area, which reached 90 percent Monday, had slipped to about 60 percent Tuesday, while more than 90 percent of black workers stayed at home in Natal Province, in which Durban is situated. A chamber spokesman said that one factor in the decreased absenteeism was a tougher position adopted by many employers. Most companies have a "no work, no pay" policy, and some have suggested that they may dismiss employees who join politically-motivated strikes. The chamber attributed the extent of the strike in Natal to a near-collapse of the public transport system, coupled with widespread incidents of intimidation of commuters by black militants. Police reported a marked increase of violence overnight, including the killing of a woman and two children in a shooting incident near Pietermaritzburg. In all, seven people were killed and more than 20 injured, although the police were unable to establish a direct link between the increase in violence and the general strike. The police command in Pretoria said it would not comment on the extent of intimidation of blacks who sought to report to work. To

## Car Bomb Kills 4 in Lebanon

BEIRUT (NYT) — A car bomb exploded on Tuesday in the mainly Muslim Shiite southern suburb of Beirut, killing four persons and wounding 20 others, including two Syrian soldiers. Within minutes of the blast, gunmen of Hezbollah, the pro-Iranian Party of God, clashed with Lebanese police and two more persons were killed in the machine-gun and rocket exchanges. The police said the booby-trapped car blew up near a checkpoint manned by Syrian soldiers and Lebanesegendarmes.

## Industry Minister Thage G. Peterson of Sweden took over from Justice Minister Anna-Greta Leijon after she resigned.

Page 5.

## General News

In South Korea, a wave of anti-Americanism sways the political mainstream. Page 3.  
Chinese students seek to widen protest over a murder to political issue. Page 5.

## Business/Finance

Teneco Inc., as part of a restructuring, will pay shareholders nearly \$2 billion in special dividends. Page 9.

Down 20.62

The Dollar	1.7113
DM	1.8138
Yen	125.45
FF	5.78

## In U.S., Big Spenders Undaunted by Crash

By Mark A. Uhlig  
New York Times Service  
NEW YORK — Nearly eight months after the stock market collapse brought predictions of ruin for businesses devoted to luxury items, the demand for those goods in New York and across the United States appears to be booming. Dealers who specialize in luxury sales said buyers were lining up to spend their money for fine jewelry, exotic vacations, lavish dinners and expensive beach rentals in numbers that match or exceed those in the months before the collapse. For some goods with investment potential, such as gems, classic cars and deluxe real estate, the search for profitable holdings outside the stock market has brought a sharp rush of capital, pushing prices to new heights.

## Black Strike Now Even Lenin Comes Under Soviet Criticism

By David Remnick  
Washington Post Service  
MOSCOW — In Mikhail S. Gorbachev's Soviet Union, even Lenin, it seems, is no longer sacred. In an article headlined "Sources" in the current issue of the journal Novy Mir, a retired Soviet academic describes how Lenin, the honored founder of the Soviet state, made serious mistakes when he created a system of repression and forced labor camps and took steps toward abolishing private property.

Mr. Selyunin's article credits Lenin with changing his mind under economic crisis, but also implicitly describes him as laying some of the foundations for Stalin's command economy and massive purges and repression. He outlines the way the Soviet state reached "the edge of the abyss" in the early 1920s, before Lenin shifted from "war communism" to the New Economic Policy, known as NEP, a program that permitted more individual freedom and initiative in trade and manufacture. Mr. Selyunin compares that abrupt turn in the 1920s to the present situation under Mikhail S. Gorbachev, and insists that the

need for radical change now is even more urgent. "To lose time is to lose everything," he writes. "It's useless to put rules into effect one by one." "History will not forgive us if we lose our chance," he adds. "The abyss can only be overcome in one leap, not two." His message is dire: if radical reforms are not fully set in motion by the mid-1990s the economy will collapse. In the article, Lenin is more a fallible revolutionary than the

priestly figure who is entombed beside the Kremlin. No longer is it just Stalin, Nikita S. Khrushchev and Leonid I. Brezhnev who are responsible for the troubled legacy of Soviet politics. Throughout Soviet history, leaders have tried to identify a particular "Lenin" and make it their banner. Stalin tried to justify everything from purges to forced collectivization as acts protective of "Leninism." For Mr. Gorbachev and his circle of advisers, the "true" Lenin is the "NEP Lenin," the Lenin who was flexible, willing to look at times to Western economic methods to energize the economy. Mr. Selyunin, in this article, is neither for nor against Lenin, but rather seeks to analyze where he went wrong, what he did right, and what can be learned from the experience. "That sort of objective analysis," said a Soviet economist, "is quite sadly, something new for us. Selyunin has done something special."

Moscow intellectuals have been talking about the article for days. When some noticed they had not received their copies of Novy Mir in the mail they suspected, at first, See LENIN, Page 2



India Pulls Out Some Troops From Sri Lanka  
Indian soldiers at the port of Trincomalee in Sri Lanka waiting on Tuesday to board ships and sail home. India is withdrawing a small contingent of its more than 50,000 troops from Sri Lanka, and has said that a partial pullout was justified by recent gains in quelling the Tamil guerrilla insurgency. Indian officials said that the withdrawal was not a prelude to a large scale troop pullout.

## Another Meeting? Here's Why It May Not Work

By Daniel Goleman  
New York Times Service  
NEW YORK — Researchers studying the effectiveness of groups are drawing conclusions that may change the way many executives view their work habits. Among these are findings that meetings are often a poor way to get the best out of people and that one of the most destructive forces in a group can be the participant who is trying harder than everybody else. Meetings can work well, the studies show, when there is a balance between a sense of solidarity and a focus on the task at hand and when the task is appropriate to the group. But one recent study demonstrated that, contrary to the belief of many executives, groups are not as good as one person working alone when it comes to brainstorming for innovative ideas. These findings are among the latest in a long line of studies trying to explain the complex interactions among people in groups, interactions that often make the sum different from the parts. The new work is pinpointing many of the factors that undermine group efforts and suggesting guidelines for making groups work more smoothly. For instance, the main factor in unproductive business meetings is one of the most fundamental: having the wrong people present.

Dr. Oppenheim's study involved more than 200 managers at eight organizations. Senior managers in the study spent an average of 23 hours a week in meetings, and middle managers spent 11. Having the right people present does not mean just including those who are needed, not at all on what the others do. While a manager may feel this is an effective use of his time, his subordinates will usually resent what seems to them a waste of their time. Another major force that can sabotage meetings, often unrecognized by those who attend, is that meetings are a focal point of power struggles. In one corporation Dr. Oppenheim studied, in which two companies had been merged, there was a battle at managerial meetings over what should go into the minutes. Executives from each of the formerly separate companies had formed factions, each wanting its version of decisions to be recorded for circulation to those not present. Calling a meeting is a political act, and those who accept the invitation or decline are making a tacit judgment about the place of the convenor in the power politics of the organization, Dr. Oppenheim noted. Meetings are usually not meant to do real work but to initiate or control it. Thus the success of a meeting does not necessarily depend on what goes on while the group is together. Another mark of a good meeting is that

all participants, not just the leader, get something out of it. "Meetings are called for the leader," Dr. Oppenheim said. "A meeting you loathe may have been very productive from the leader's perspective. But a good leader runs a meeting that also is productive in some way for each person there." "People who felt well-served by a meeting are more likely to cooperate with the leader in the future," Dr. Oppenheim said. Certain elements make a meeting seem particularly productive. Dr. Oppenheim's work indicates. One is the sense that the meeting has a definite objective; a common complaint is that meetings do not seem to have a clear purpose. While people also feel better about attending a meeting where the leader keeps the group focused, leaders who are too forceful in controlling a meeting can undermine their own efforts, Dr. Oppenheim said. Others who have studied the workings of groups agree. "Authority in a group should be benign," said Robert F. Bales, professor of psychology emeritus at Harvard University and a pioneer in the study of groups. "When a group is dominated by an authoritarian leader, it tends to create resistance, and even revolt. If the revolt is not open, it will take the form of withdrawing interest."

## The main factor in unproductive business meetings: having the wrong people present.

her study points out, but also excluding those who are not. One common breach of this principle is in having too many people present, including "dead weight" — people not directly involved in the matters under discussion, or not close enough to them to help. Those at the meeting may then spend too much time explaining background that everyone else knows, or may be sidetracked onto some other subject. Another miscalculation occurs when managers call meetings for things that can better be done individually with each of the people there. Executives in Dr. Oppenheim's study said 20 to 30 percent of meetings could have been handled better by phone or memo. A common type of fruitless meeting, according to Dr. Oppenheim, is when a manager calls a meeting to be briefed by subordinates whose work depends little or

not at all on what the others do. While a manager may feel this is an effective use of his time, his subordinates will usually resent what seems to them a waste of their time. Another major force that can sabotage meetings, often unrecognized by those who attend, is that meetings are a focal point of power struggles. In one corporation Dr. Oppenheim studied, in which two companies had been merged, there was a battle at managerial meetings over what should go into the minutes. Executives from each of the formerly separate companies had formed factions, each wanting its version of decisions to be recorded for circulation to those not present. Calling a meeting is a political act, and those who accept the invitation or decline are making a tacit judgment about the place of the convenor in the power politics of the organization, Dr. Oppenheim noted. Meetings are usually not meant to do real work but to initiate or control it. Thus the success of a meeting does not necessarily depend on what goes on while the group is together. Another mark of a good meeting is that

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## Mideast Peace Initiative Still Alive, Shultz Says

By John M. Goshko  
Washington Post Service  
CAIRO — George P. Shultz, turning aside suggestions that his Middle East peace initiative is faltering badly, said Tuesday that both Arab and Israeli leaders have shown "strong and universal interest in finding a way to move forward." At a news conference ending his fourth swing through the region this year, the U.S. secretary of state asserted repeatedly that, despite the lack of tangible progress, his latest soundings have convinced him that a way would be found to rekindle the peace process. "Something has changed," he said. "There seems to be less inclination to fight the problem. There certainly is strong and universal interest in finding a way to move forward." "No one suggested to me, here in the region or elsewhere, that the initiative should be abandoned or that our efforts should stop. On the contrary, everyone urged that efforts continue to bring about negotiations."

Mr. Shultz's optimism seemed at odds with the refusal of regional leaders to embrace the proposals he conceived following the outbreak of unrest in December by the Palestinian inhabitants of the Israeli-occupied West Bank and Gaza Strip. The plan calls for Israel and a Jordanian-Palestinian delegation to negotiate transfer of the territories to Jordanian control in exchange for Arab acceptance of Israel's right to exist in peace. But before such talks can begin, Mr. Shultz must:

• Convince Prime Minister Yitzhak Shamir of Israel to follow the lead of his coalition partner, Foreign Minister Shimon Peres, and agree to negotiate a settlement according to the land-for-peace formula.

• Convince Jordan's King Hussein to risk the animosity of radical Arab states and agree to come forward as a negotiating partner acceptable to Israel.

• Induce the Palestinians to accept the idea of association with Jordan and permit Hussein, rather than the Palestine Liberation Organization, to negotiate on their behalf.

During five days of intensive talks, Mr. Shultz failed to make any progress toward these goals. He was unable to meet with any representatives of the Palestinians, who continue to insist that the PLO be their spokesman. In fact, PLO

See SHULTZ, Page 2







كندا، الولايات المتحدة

10 BRIEFS

In Korea, Anti-Americanism Entering the Mainstream

By Susan Chira
New York Times Service
BOUL — Ever since U.S. troops died defending South Korea during the Korean War, Americans have been basked in the gratitude of the Korean people. But now the image of benevolent America is being called into question as a new wave of anti-Americanism moves off campus and into the mainstream. Students have long denounced the United States as a repressive superpower in Korea, accusing it of hypocrisy in pressing a Cold War ideology that divided Korea into two nations and supporting autocratic dictators. But even for the young who reject such virulent anti-Americanism, the new openness of political debate is prompting a more detached, more critical view of the United States.

U.S. Homosexuals Say Violence Rises

The Associated Press
WASHINGTON — Reports of violence and harassment aimed at homosexuals rose 42 percent last year, according to a study made public Tuesday. It said an emotional reaction to AIDS was a factor. A record 7,008 incidents, ranging from verbal abuse to murder, were reported to the National Gay and Lesbian Task Force, according to Kevin Berrill, director of the task force's Anti-Violence Project. The statistics were compiled in a report, "Anti-Gay Violence, Victimization & Defamation in 1987," the third such study.



South students hurling stones Tuesday at riot policemen outside Sungsil University, protesting a ban on a proposed meeting of students from South and North Korea at the border village of Panmunjom.

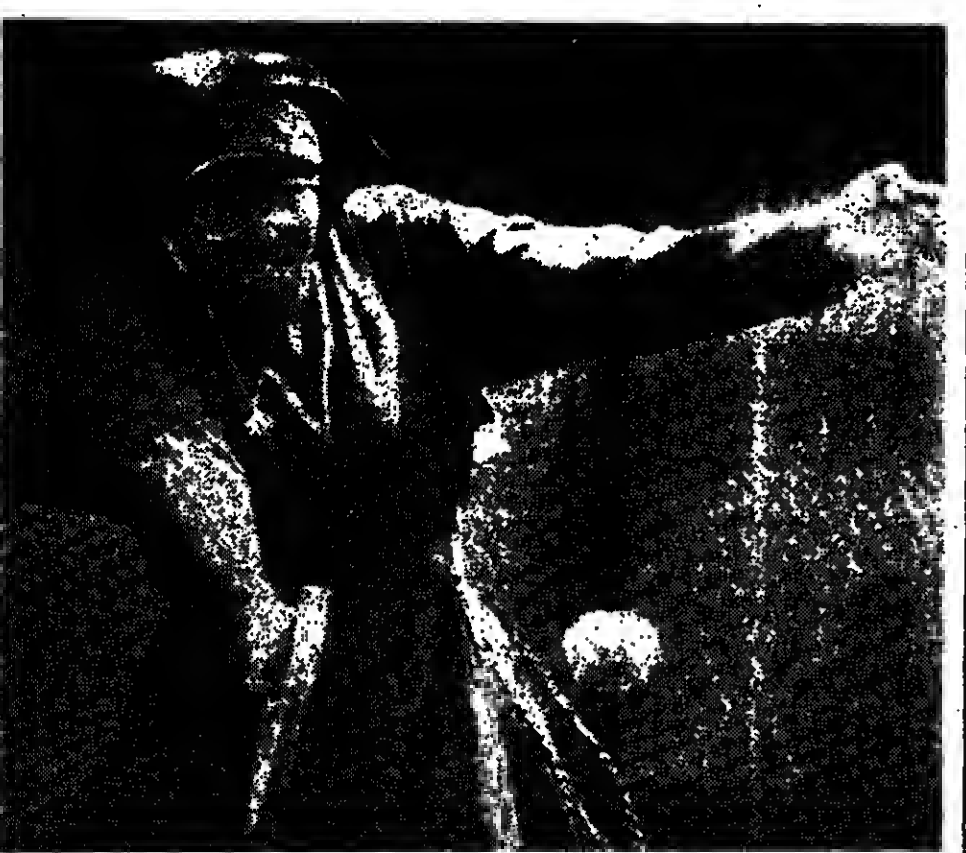
Study Sees Wide U.S. Nuclear Pollution

By Keith Schneider
New York Times Service
WASHINGTON — Enormous amounts of radioactive waste from the Energy Department's plants and laboratories for making nuclear weapons have contaminated burial sites and polluted underground water reservoirs across the United States, according to a new study by an environmental group. The study, "Deadly Defense—Military Radioactive Landfills," was made public Monday by the Sierra Club's Radioactive Waste Campaign, based in New York City. Many authorities consider it to be the most thorough compendium of the U.S. Department of Energy's problems in managing the stockpile of wastes. The liquid and solid radioactive wastes have been produced over the last five decades by the department's 13-state network of weapons plants and laboratories.

AMERICAN TOPICS

Too Many Leaders

Too many armored battalions commanders get "killed" in training exercises, according to the Center for Army Lessons Learned at Fort Leavenworth, Kan., and this reflects historical reality, dating back to Israel's defeat during the Arab-Israeli war of 1973, the panzer division's commander in World War II and the cavalry combat in the American Civil War. The center was set up three years ago to collate operational successes and failures. Richard Ballou of the New York Times reports that the 1983 invasion of Grenada, in which much did not go according to plan, was the catalyst.



RELIGIOUS SERVICE — Sister Anthony, who works at the Catholic Book and Media Center in Seattle, taking a break to play tennis on Sunday. She is a nun with the Daughters of St. Paul.

UPDATE

The Little Brook subdivision in Newington, Connecticut, was properly surveyed when it was laid out 12 years ago, as a builder discovered last fall. Property owners now have the difficult option of leaving their lots as they are or changing the details of their property deeds and other documents, a mountain of paperwork indeed, including notification of banks, insurance and title companies. Or, even more nightmarish, everything could be moved around, including fences, sidewalks, driveways and even trees.

Any American can try to become a "member" of the Soviet Politburo by playing "Russian Roulette," a \$24.50 board game invented by Myron Beckenstein, a Columbia, Maryland, journalist. As in "Monopoly," players throw dice and take cards as they progress around the board. One timely card says "Hold a summit." It's a success if the dice come up even, a failure if they come up odd. Pitfalls include catching cold at the May Day Parade or having your five-year plan declared a disaster. And there's always Siberia, where players must stay for three turns unless they roll doubles. Even worse is labor camp, where players end up if they toss a 7 or 11 while in Siberia.

Short Takes

The Little Brook subdivision in Newington, Connecticut, was properly surveyed when it was laid out 12 years ago, as a builder discovered last fall. Property owners now have the difficult option of leaving their lots as they are or changing the details of their property deeds and other documents, a mountain of paperwork indeed, including notification of banks, insurance and title companies.

Soviets Defend Reagan Against U.S. News Media

MOSCOW — A Soviet spokesman criticized the U.S. news media Tuesday for showing a "lack of compassion" by persistently asking President Ronald Reagan about his health during last week's super-summit meeting. A question of that line is like addressed to a wounded deer, I mean antelope," the Foreign

Ministry spokesman, Gennadi I. Gerasimov, told journalists. Reporters asked Mr. Reagan several times in Moscow how he felt and how he slept, and some described him as occasionally listless in public. Nancy Reagan was also asked about her husband's health. Mr. Reagan repeatedly said he was fine, but the White House spokesman, Martin Fitzwater, said at one point that the president had slept poorly and was tired. Mr. Gerasimov said that the Western press showed a lack of compassion with their direct questions to the president about his health.

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# 'Cream of the Crooks' Control a Corner of South America

By Marlise Simons  
New York Times Service  
FOZ DO IGUAÇU, Brazil — Close to the Paraná River, where Argentina, Brazil and Paraguay meet, a young policeman was explaining the maddening presence of "border executives."

"They are everywhere," said the sergeant, running his eyes along the horizon. "We get the cream of the crooks from all three countries. Drug smugglers, robbers, gamblers, racketeers. And some like to call themselves border executives."

Once the cutting edge between the colonial empires of Spain and Portugal, this wild frontier land in the heart of South America has turned into a vast, profitable and mostly clandestine merry-go-round of people and goods.

By boat and car, smugglers move electronic equipment, food and chemicals to and fro, depending on which side of which border the bargains and exchange rates are best. Precious cargo like cocaine, gold or computers is said to leave from private runways. And as border towns have boomed with the trade, more and more people are gaining a stake in this remote underworld.

But a deadly pattern of highway robbery in Brazil has been disturbing the laissez-faire mood of these borderlands. Two months ago, angry Brazilian truck owners threatened to block the

main access road between the nations and demanded a clamp-down by border authorities.

The truck owners charged that organized gangs were hijacking growing numbers of trucks and trailers on the Brazilian highways and then often killing the drivers and hauling the vehicles to Paraguay. There, the Brazilian police confirmed, the vehicles, often with a value of more than \$100,000, are swapped for dollars or cocaine brought in from Bolivia and processed in Paraguay.

In the past 18 months, according to statistics provided by the Brazilian truck drivers' union, highway robbers have murdered 139 truck drivers. Thirty more are still missing. In the same period, gangsters stole close to 2,300 trucks, of which more than 200 have so far been found in Paraguay.

"Our people work in total insecurity," said Helio Botelho, leader of the Union of Independent Truckers. "Police keep telling us they have not enough men to cope."

As drivers and union leaders tell the story, highway pirates often strike at night when truckers make a fuel stop or rest in parking spaces. But even in daylight the robbers put up roadblocks on the many lonely stretches of road. Some assaults are daring operations.

"A truck may be slowly climb-



A market in Puerto Presidente Stroessner, Paraguay, full of contraband and smuggled goods.

ing a slope and the gangsters lie in ambush," said Areli Lara. "They jump on board, climb on the roof and hold a gun to the window. What can a driver do?"

Surrendering does not mean you stay alive, said Mr. Lara, who heads the Paraná Association of Truck Owners. "In some cases, we never find the body. Those gangs have tied drivers alive to trees in the forest. There they die from hunger, thirst, overexposure. Or they are attacked by animals."

As Mr. Lara spoke, he was

awaited by a woman with two small children whose husband had been missing for 50 days. So far, only her husband's trailer, stripped of its wheels and cargo, had been found on the road to Brasília.

While the police say the highway robbers are Brazilians, union leaders blame Paraguay for providing a market for stolen goods. The truck drivers' union and insurance companies have sent out investigators, who have come back with reports that Paraguay-

an businessmen and landowners even place orders for stolen Brazilian trucks.

"The Volvo and Scania are the favorites," said Baldomero Taques, a union leader. "They get them cheap. Either they use the vehicle or dismantle it for spare parts."

In Asunción, the capital of Paraguay, and Puerto Presidente Stroessner, the second-largest city, the sale of contraband and cut-rate goods has become a normal way of life. Diplomats and

economists believe that almost 60 percent of the country's commerce consists of unrecorded or smuggled goods.

Cars appear to be the most costly among the items of dubious origin. Legitimate car importers estimate that more than half of Paraguay's 120,000 registered cars and trucks have been stolen in Brazil. In the last five years, the government legalized at least 34,000 undocumented cars with two sweeping amnesties.

But in many ways, Puerto Presidente Stroessner, on the border with Argentina and Brazil, has tapped the advantages of a parallel economy. New stores, villas, and a casino line the roads. A \$100-million airport is being built to bring more people and goods to this inland port of 50,000 inhabitants.

These developments are looked at rather nervously by entrepreneurs in Puerto Iguazu in Argentina and in Foz de Iguaçu in Brazil. The two towns share the world's greatest waterfall and the tourism it generates. But businessmen complain of unfair competition from Paraguay, where political and military forces are believed to protect or own the main smuggling franchises.

"Nobody here can preach," said a hotel owner and long-time border resident. "Customs on all three sides are receptive when it comes to bribes."

# Giscard on France: A Chance Missed

By Joseph Fitchett  
International Herald Tribune  
PARIS — France has missed a historic opportunity to reform its political practices and restore confidence in government, Valéry Giscard d'Estaing, the conservative former president, said in an interview.

"Voters realize that France needs to break with the Gaullist tenet that the president and his party should have complete power," he said Monday. Instead, he said, "France needs a government open to more segments of the nation, so that we can mobilize all our nation's energies to compete in the new Europe."

Mr. Giscard d'Estaing blames a miscalculation by President François Mitterrand for compromising the outlook for this kind of political "opening" across party lines. Specifically, he cited Mr. Mitterrand's tactics in the current parliamentary elections.

"He succumbed to the temptation of seeking a monopoly of power in order to bring about change," Mr. Giscard d'Estaing said. "He called early elections instead of working for a few months with Parliament to set a precedent of what you call bipartisan cooperation on some nationally desirable programs."

Specifically, he said, the outgoing Parliament, with a narrow conservative majority, would have been willing to vote new electoral laws, allocating some seats by a system of proportional representation.

"This change, which Mr. Mitterrand says he wants and which we want, would have given the flexibility we need in the system," Mr. Giscard d'Estaing said.

But some observers noted that, instead, Mr. Giscard d'Estaing, who is seeking a political comeback as a conservative leader, and Prime Minister Michel Rocard, chosen by Mr. Mitterrand as an advocate of cooperation with the center, have turned their backs — at least temporarily — on their old stogons of reform and concentrated on closing party ranks.

When the first round of voting last Sunday left both sides about even and needing extra votes to win next Sunday, observers said that Socialists started canvassing on their left and conservatives on their right, throwing France, for the moment at least, back to bloc-against-bloc politics.

Another lesson of last Sunday's vote, observers suggested, was that more than half of French voters were dissatisfied with the mainstream political choices they were offered. As evidence, the Communist Party and the extreme rightist

National Front each got about 10 percent of the vote, and nearly 35 percent of voters abstained, a record in the Fifth Republic.

Polls suggest that the Socialists will emerge with an absolute majority; the latest estimate is 315, comfortably ahead of the 289 needed for control in the 577-seat Parliament.

Mr. Giscard d'Estaing said, however, that even if the Socialists emerge with a majority of that size, "it would be just enough for the Socialists to incur criticism over social issues by next fall, and not enough to prevent conservatives from starting to think about regaining power."

"With this missed opportunity," he said, "the opening will now take time, and it will get harder as time passes."

This hardening tone is echoed among the Socialists, with Prime Minister Michel Rocard now saying that it could take years to produce more effective government in France instead of the "weeks or months" that he had previously mentioned.

Observers said that both Mr. Giscard d'Estaing and Mr. Rocard, both of whom have long advocated the need for political reforms, have shifted position. Both once worried publicly that French voters might become disaffected because the party machines are locked into electoral calculations that make them less and less responsible to ordinary people's concerns.

In his own campaign, Mr. Giscard d'Estaing, who was re-elected to Parliament on the first ballot, has implicitly blamed Mr. Mitterrand for disappointing French hopes for a government of national consensus. Despite his tone of moderation during the presidential campaign, Mr. Mitterrand appointed a Socialist government that resembled a campaign team and called early elections, convincing French observers that Mr. Mitterrand sought a strong Socialist majority in the National Assembly.

Predicting some changes in the line-up between the two center-right parties, the Gaullist Rally for the Republic and the Union for French Democracy, which he founded, Mr. Giscard d'Estaing said: "We will keep our electoral alliance so that we are united by a single candidate in future elections."

In addition, he said, the umbrella formation will make it easier for some prominent politicians to change from one party to the other as the RPR becomes more conservative and the UDF becomes more liberal, "in the free-market sense and in the American political sense."

## Najib, at UN, Says Pakistan Is Violating Geneva Accords

UNITED NATIONS, New York — Afghanistan's leader, Major General Najib, accused Pakistan on Tuesday of violating the Geneva accords on Afghanistan, and said his country reserved the right to react "in a manner warranted by the situation."

"Contrary to the provisions of the accords, camps and centers for training of the extremist Afghan opposition still exist on the territory of Pakistan," he said at a UN General Assembly session on disarmament.

"The delivery of deadly weapons to opposition bands in Afghanistan is being continued," he added. "Huge amounts of such arms are being transported for committing subversive and terrorist activities in Afghanistan."

"Actions are taken by Pakistani authorities and armed extremist groups to hinder the voluntary return of Afghan refugees to their homeland." He called such actions "sheer vi-

## Le Pen Reaches A Deal He Hopes May Save Seats

MARSEILLE — Jean-Marie Le Pen, leader of the far-right National Front, patched up a tacit accord with conservatives in Marseille on Tuesday that might save his party from a rout in Sunday's general election.

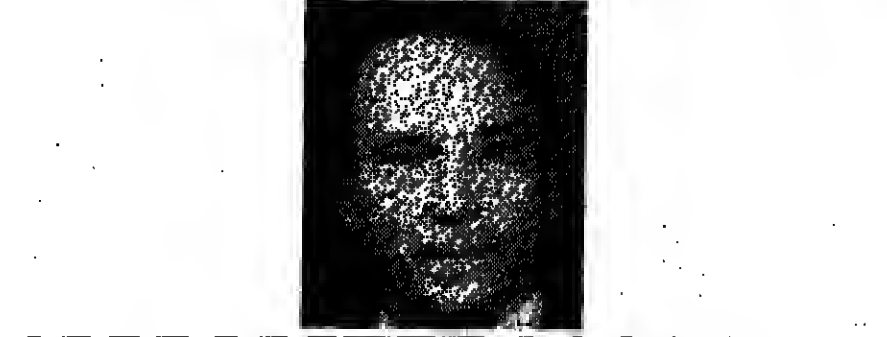
Mr. Le Pen announced he was withdrawing his candidates in the region from any contests in which conservatives were better placed to defeat the Socialists.

Three center-right candidates in the region immediately announced they were withdrawing in favor of better-placed National Front members. Others were expected to follow before the Tuesday midnight deadline for candidatures for the second round of voting on Sunday, sources said.

## Le Pen Reaches A Deal He Hopes May Save Seats

The tacit pact, which leaves eight National Front candidates fighting for seats in the Bouches du Rhone Department, could save the party from being wiped out in the National Assembly.

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مكتبة الجليل



# Swedish Minister Quits Amid Furor On Palme Inquiry

**STOCKHOLM** — Justice Minister Anna-Greta Leijon resigned Tuesday because of disclosures that she authorized an unsupervised free-lance investigation into the assassination in 1986 of Prime Minister Olof Palme.

Her resignation was intended to head off a no-confidence vote in the Riksdag, the Swedish parliament, that could have toppled the minority government of Mr. Palme's successor, Ingvar Carlsson.

Mr. Carlsson said he regretted Mrs. Leijon's departure and would probably include her in a new cabinet if his Social Democratic Party is returned to office in elections in September.

Opposition leaders accused Mrs. Leijon of overstepping her authority by bypassing the official investigation into the Palme killing and appointing a secret inquiry by a publisher, Ebbe Carlsson, who is not related to the prime minister.

Public furor followed reports that the publisher's government-assigned bodyguard was caught smuggling illegal wiretapping equipment into Sweden and that the inquiry was funded by a \$343,000 contribution from a banker.

The Liberal Party leader, Bengt Westerberg, said questions remained about the role of the national security police, which supplied Ebbe Carlsson with the bodyguard and unofficial support.

The publisher was investigating a possibility of Iranian involvement in the assassination, under a theory that Mr. Palme was killed because he uncovered and tried to halt illegal arms sales to Iran by a private weapons manufacturer.

The Moderate Party leader, Carl Bildt, welcomed Mrs. Leijon's resignation.

"If people want to remain confident in their faith in Sweden as a society of justice," he said, "this was the only possible decision."

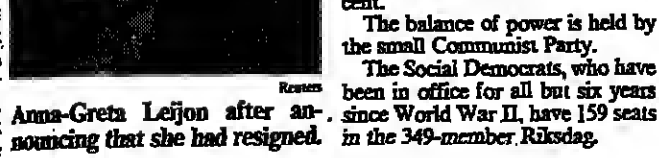
The prime minister said Industry Minister Thage G. Peterson would be acting justice minister until the elections.

Mrs. Leijon, 49, was the third justice minister to resign since the Social Democrats took office in 1982. In October, Sune Wikström quit after a convicted spy escaped while on furlough from prison. In 1983, Ove Rainer resigned after it was revealed that he took advantage of tax loopholes.

Analysts said the Leijon affair threatened to hurt the Social Democrats in the elections. An opinion poll published last weekend gave the Social Democrats 44.7 percent, and the three nonsocialist opposition parties a combined 43.5 percent.

The balance of power is held by the small Communist Party.

The Social Democrats, who have been in office for all but six years since World War II, have 159 seats in the 349-member Riksdag.



Anna-Greta Leijon after announcing that she had resigned.



PREPARING FOR GUESTS — A Russian polished a cupola in Vladimir Tuesday, preparing for guests from around the world at celebrations of the 1,000th anniversary of Christianity in Russia. Vladimir, which is 200 kilometers northeast of Moscow, is a historic church center.

# Chinese Protesting a Murder Seek to Widen Demonstration

**BEIJING** — Students at Beijing University held a heated open-air debate Tuesday on how to push forward a political campaign that began with protests over the murder of a student.

More than 1,000 people crowded around speakers, arguing whether to march on Tiananmen Square on Wednesday to demonstrate for free speech, a free press and the abolition of tough rules imposed during student unrest in late 1986.

Some urged students to protest food price increases, which have provoked widespread discontent in cities, in a bid to win support from ordinary Beijing residents.

The police kept a discreet distance from the night meeting, which was squeezed into a small square plastered on Monday with wall posters criticizing the government and the Communist Party.

The posters attacked national leaders by name and said the murder of Chai Qingfeng, 22, by a gang near the campus last week was linked to crumbling law and order, official corruption and dictatorial government.

In a newly coined campus catch phrase, they liken the "hard knives" of the killers to the "soft knives" of social injustice and government neglect of education.

During the debate, which began late Monday and continued past midnight, one student compared China's poverty to Japan's wealth as proof of inept rule by the Communist authorities.

"Do we have democracy?" asked another student. "No!" came a roar from scores of listeners squating, standing, or clinging to high ledges to view the speakers.

The meeting included students from neighboring Qinghua University and People's University. They joined in a night march to Tiananmen Square last week to demand severe punishments for the murderers of Mr. Chai.

One speaker urged that a student demand for the execution of all six men arrested in the killing be dropped and that their protest be focused on politics instead.

Another, the only woman to speak in the rough-and-ready debate, said students should remember their original demands of improved police security in the university district.

Others suggested founding an independent campus magazine to concentrate on human rights issues, as a response to recent government calls for colleges to set up their own profit-making enterprises to raise money.

University authorities appear to have tolerated the protests so far, with posters allowed to remain in place despite being technically illegal because they are unsigned.

The latest unrest has leveled specific complaints at government and highlighted identifiable social problems, in apparent contrast to the demonstrations in late 1986, which raised vaguer demands for "freedom and democracy."

Meanwhile, an official newspaper quoted Prime Minister Li Peng Tuesday as saying that the government was planning measures to insure that workers' wages kept up with inflation and would increase state aid to poor families.

The China Daily quoted Mr. Li as saying wage changes should go hand-in-hand with an easing of price controls, which last month allowed prices of some basic foodstuffs to rise as much as 60 percent in cities and provoked panic buying.



# Armenians Hold Vigil on Territory

**MOSCOW** — Armenians demanding official discussions on the disputed region of Nagorno-Karabakh have been conducting a vigil for the last 10 days in Yerevan, capital of the Armenian Republic, official sources said Tuesday.

A spokesman for Kommunist, the Armenian Communist Party's official newspaper, said that about 300 demonstrators in Opera Square were demanding that the republic's leaders discuss the issue of the enclave of Nagorno-Karabakh, which is in neighboring Azerbaijan but is inhabited mainly by Armenians.

The spokesman said the demonstration was peaceful.

Violence erupted in February when the region's governing council asked to become part of Armenia. In the Azerbaijani city of Sumgait, Armenian residents were murdered in three nights of terror. The latest edition of Kommunist to reach Moscow, dated June 4, said the latest demonstrations and marches in Yerevan had been disrupting public and private transport since the start of the month.

Gennadi I. Gerasimov, the Soviet spokesman, said at a news conference that he believed the vigil was the reason for the cancellation by Intourist of a planned trip to Armenia by journalists. The republic has been closed to foreign reporters for four months.

# ITALY: Spots of Prosperity in the Impoverished South

(Continued from Page 1)

come even more fragmented, slow-moving and ineffectual.

A more general criticism is that the government has concentrated on spending for social rather than economic purposes, creating jobs in the public administration and raising incomes, but not contributing to the region's longer-term development.

A recent report by Confindustria, the country's main business organization, concluded that there had been "a great failure" of public policy.

"Support of investments has become, in the 1970s and 1980s, above all support of demand in the form of income transfers," the report said. "These have increased consumption and, only in a small way, production capacity."

One-third of the funds earmarked for public works under the current special aid program for the Mezzogiorno are destined for past projects that were never finished, the report added. Government funding operations "often don't follow a specific direction of support to development and aren't anything other than acts of indemnity for past errors," it said.

Still, government largesse has led to a widespread increase in living standards. Romann Prodi, chairman of IRI, the country's largest state holding group, said that "throughout the Mezzogiorno living standards have soared, in terms of personal consumption, cars, housing and the use of water."

"But in many backward areas," he said, "the money has not affected the level of economic development."

The approach, he pointed out, was certainly politically popular.

"It was a deliberate policy wanted by all the Italian political parties," he said. "It was easier than to develop the region. The country had the money to do it. But there is a problem for the future because the government has less money now."

Another problem, Mr. Prodi said, is that Italian industry is now concentrating on restructuring and improving existing facilities. There will be fewer new plants for the Mezzogiorno.

Rather than launch large-scale new enterprises, ENI, for example, is trying to create a network of small enterprise parks in the South to encourage local entrepreneurship. But Mr. Reviglio concedes that this is proving difficult.

Also employing a more selective approach, IRI plans to set up a business school in Naples in cooperation with the Massachusetts Institute of Technology.

Many of the original large state-funded industries in the South have failed to adapt to competition, said Mr. Girone at Bari University.

"The original investments should have been followed up by

further investments following changes in the market," he said.

In Puglia, when the government decided to set up a steel mill in Taranto and a petrochemicals complex in Brindisi, the decision seemed "punitive" to neighboring Bari, said Giuseppe Liantonio, secretary general of the Bari Chamber of Commerce.

"But in fact it was positive for us," he noted. The big plants in Taranto and Brindisi were hit by crises in their industries, which Bari, with its diversified economy, escaped.

"When the steel plant went to Taranto," Mr. Liantonio said, "it seemed a good thing at the time, a huge leap forward. But in fact it stopped right there."

By contrast, he said, Bari benefited from "a series of little state interventions which stimulated private companies and individuals to do something themselves. So we created a very varied economic structure."

"Now we have a bit of everything: foodstuffs, textiles, shoes, chemicals, cement, construction, mechanical engineering and marble," Mr. Liantonio said. "But we needed state help to prime the mechanism. It created a culture of industrialization."

He added, however, the common Italian complaint that, with expansion of the private sector, public services like health, schools, telephone, transport and traffic control seem to have deteriorated.

Unlike many other parts of the South, Bari has a long commercial history and a tradition of self-help. Both are embodied in the imposing 100-year-old Chamber of Commerce building on the waterfront and the Fiera del Levante, an international trade fair that attracts three million visitors a year, with heavy emphasis on the Middle East.

Bari also has the Tecnopolis science park, home to about 20 high-technology companies, which local enthusiasts see as the focal point for a future Italian "Silicon Valley" along the Adriatic coast.

The president of Tecnopolis, Gianfranco Dioguardi, said that before that can happen, though, the southern Italian mentality will have to change "from fatalistic and passive to entrepreneurial." He is working on ways to do that through new forms of labor-management relations and educational and cultural programs for the work force.

What Bari does not have is perhaps even more important. It does not have the Sicilian Mafia, the Neapolitan Camorra or the Calabrian 'ndrangheta.

"It is not by chance that the regions where there are no such organizations are the most successful," said Luigi Spaventa, economist professor at Rome University.

Nor is it by chance, say many Italian economists, that the South's most backward regions, around Naples and Palermo and in Calabria, are where the Mafia and its equivalents are most powerful.

"No entrepreneur would go there," Mr. Spaventa said. "Anyone who does has to pay kickbacks to everyone concerned and buy raw materials from a particular man. There is complete corruption of a large part of the political forces — those, that is, that have not been shot."

Mr. Trentin of the CGIL said a concerted attack on the Mafia should be the first priority of an integrated development plan for the Mezzogiorno, as opposed to the piecemeal approach employed so far.

"When the Mafia takes root in public works, it controls all the subcontracts," he said. "All the racketeering activities converge on the public sector, which is used to recycle all the racket and drug money."

To combat the problem, the government should change all its public spending procedures, tighten the laws on subcontracting and banking secrecy and reinforce the judicial system, he said.

"Paradoxically," said Mr. Liantonio, "in the end the Mafia is business. It provides work and creates money. It brings construction and construction. But it also brings the most negative social factors and drug addiction. It thrives on poverty and misery. We don't want it here."

Bari, at least, does not want to change its spots.

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Herald INTERNATIONAL Tribune

Trial by Television

Television history is often suspect: trivialized and rewritten shamelessly to grab a mass audience. Hence the shudders that many people felt on learning that Britain's Thames Television had joined with Home Box Office, a national pay-TV channel in the United States, to put Kurt Waldheim before the bar on the box. The fears are unfounded. "Waldheim: A Commission of Inquiry," shown in America Sunday night, respects history and Mr. Waldheim's rights.

heim served. For days they were denied food and kept in slovenly cells, then clubbed so ferociously that "if you stood up you fell over." A surviving prisoner's account offered devastating contrast to those of old soldiers who, like Mr. Waldheim, insisted that they never took part in war crimes. The hearing does not convict Mr. Waldheim of anything, but it amply demonstrates why he was so eager to conceal his service in the Balkans.

Israel Needs Awards

For moral and practical reasons, it is regrettable that Israel's High Court of Justice could find no reason to overrule the deportation of Mubarak Awad, a Jerusalem-born American citizen. The ruling suggests that Israel, made fearful and frustrated by the uprising in the occupied West Bank and Gaza, has trouble drawing a line between civil disobedience and armed rebellion.

Israeli officials condemning Mr. Awad could profitably read Henry Thoreau's famous essay "Civil Disobedience," which so deeply influenced Tolstoy and Gandhi. Thoreau went to jail in 1845 rather than pay taxes that might support what he regarded as an unjust war against Mexico. Israelis cite Mr. Awad's advocacy of tax resistance as a measure of his extremism.

Armenian Emigrants

Under increasing pressure from the United States, the Soviet Union is letting more citizens emigrate, particularly Armenians. Should they be treated as political refugees or immigrants? Immigration officials must guard against blurring the distinction, lest America's will to provide refuge be eroded.

Department officials complain that out all the Armenians they admitted qualify as victims of persecution. An official at the Immigration and Naturalization Service admits that approval of refugee applications from Soviet Armenians has been "virtually automatic." It is only fair to require that each Armenian applicant demonstrate fear of persecution. Other potential refugees, like those from El Salvador or Indochina, are carefully scrutinized, often after waiting months to be processed.

Other Comment

It Was Reagan's Best Summit

President Reagan's fourth summit meeting with General Secretary Gorbachev was easily his best. His statements on superpower issues were controlled and purposeful; he did not allow himself to be upstaged as on previous occasions; his ambitions to be an apostle of nuclear weapons reduction were subordinated to very real U.S. and NATO concerns.

Dukakis Will Need Jackson

California will probably crown Michael Dukakis the Democratic Party's presidential candidate, as Americans vote in the last four primaries (on Tuesday). But the man who is most likely to come second, Jesse Jackson, could determine whether he's in the White House. The staying power of Mr. Jackson during the marathon of the primaries has made him a more impressive candidate than he looked at the outset. He has made it known that he would like to be rewarded with the chance of running alongside Mr. Dukakis for the vice presidency.



Soviet and American bureaucrats vow solidarity at their first summit meeting, following intemperate and disparaging remarks made by President Reagan in Moscow.

Third World: Big Markets After a Debt Solution

WASHINGTON — At an ever increasing pace, the world is shrinking. Transportation and communication advances have produced near-instantaneous links throughout the globe. Financially and economically, an interdependence has developed that binds the industrialized democracies and Third World countries, rich and poor alike.

By Henry H. Fowler and Melvin R. Laird

They cannot afford an adequate diet. The Third World's economic development has been held back by debt more than anything else. Collectively, developing countries owe more than \$750 billion to lenders. In 1986, debt service represented 35 percent of the gross national product for all developing countries.

will greatly influence how quickly and strongly these economies bounce back, enabling poor people to participate in the marketplace. The United States, in the second half of the 1980s, is a paradox. It has the world's largest economy, and its ups and downs affect the economic health of nations around the globe. Yet it is deeply concerned about its ability to compete in world trade.

Mr. Fowler, a former U.S. secretary of the Treasury, and Mr. Laird, a former secretary of defense, are president and chairman of the Citizens Network for Foreign Affairs. They contributed this comment to the Los Angeles Times.

Offering Relief to the Hard-Hit Africans

WASHINGTON — A casualty of budget wars, U.S. policy on sub-Saharan African debt is shortsighted, compromising to security interests and likely to inflict additional suffering on the people of Africa.

By Nicholas Burakow

itor governments — while adding that the U.S. government could not do so. For many sub-Saharan nations, Paris Club rescheduling is an empty gesture. The only reason they bother with it is to maintain the fiction of being current on official obligations, thereby avoiding statutory aid cutoffs.

What about entrusting the talks to those who want the Republicans to reap the benefits on election day? America's European allies and Democratic-Republican Sen. Jesse Jackson would monitor negotiations closely and are unlikely to concede vital interests. Even if the administration signed a flawed treaty for political advantage, voters would doubt the Republican candidate.

The Primary System Needs Fixing

WASHINGTON — Well, now, that wasn't so bad, was it? I am not talking about your last date with the dentist but about the presidential primaries, which many Americans would put in the same category of misery.

By David S. Broder

Through the primary season, as more information became available about the remaining contenders. That kind of system would require big states such as Florida, Texas, Illinois, New York and Pennsylvania to join Ohio and California at the back end of the process. This year, as usual, California came too late to be meaningful, because all the other big states held their primaries one to three months earlier. The Californians are angry, but it is not their problem alone. If there is going to be a popular choice of the nominees, it makes no sense to disenfranchise the voters in the largest state and diminish the influence of the entire West.

Super Tuesday ended any challenge to Bush's nomination.

their respective parties in Iowa. It remained for New Hampshire to get the pecking order right by putting Mr. Bush ahead of Bob Dole and Mr. Robertson and Mr. Dukakis in front of Richard Gephardt and Paul Simon. New Hampshire thus has guaranteed continuation of its boast that since 1952, no one has won the White House without first winning the New Hampshire primary.

100, 75 AND 50 YEARS AGO

1888: Lords' Business

LONDON — In the House of Lords today (June 7) Earl Cadogan moved for and obtained a Select Committee to examine and report upon those standing orders of the House which relate to the conduct of public business. He pointed out that the Prime Minister had given notice to introduce a bill for facilitating the admission of life peers, and empowering the House to expel members who had been convicted of offenses which, in the minds of all right thinking men, rendered them unworthy to sit in the legislature.

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1913: Germans Pleased

BERLIN — Assurances have reached here that the American tariff bill, as finally enacted, will be without any features which can be regarded as a violation of the commercial treaty with Germany. This information has produced an excellent impression and brought about the conviction that all

1938: Freud Ransomed

NEW YORK — Professor Sigmund Freud, pioneer psycho-analyst, was enabled to leave Austria through the efforts of American Scientists and American Psycho-analytic Association which raised a substantial ransom that ransomed the distinguished scientist. The American group cooperated with the State Department and the safe return of Professor Freud to France was arranged. Donors who contributed large sums for the undertaking included Dr. Smith Ely Jelliffe and Abraham A. Brill, important workers in the field of psycho-analysis.

Move On To a Fifth Summit

By Peter Tarnoff

NEW YORK — Now that Ronald Reagan and Mikhail Gorbachev have signed the INF Treaty, they have an opportunity to achieve more together in the last seven months of Mr. Reagan's term than both countries have done in the past seven years.

Both leaders have mentioned the possibility of a fifth summit conference. Without the promise of another meeting, there will be no chance to sign a treaty to cut long-range nuclear arms by half, not just this year but for an indefinite period. And without such an agreement, Mr. Reagan will depart without a diplomatic achievement of the kind reached by Richard Nixon and Jimmy Carter.

Critics of an attempt to negotiate a treaty before Mr. Reagan leaves office say that time is against such an effort. They maintain that the issues are too complex and that it is dangerous to work against a deadline. They worry that Mr. Reagan, striving to advance Vice President George Bush's candidacy, will make a bad deal.

These concerns are understandable, but not significant. Mr. Gorbachev faces greater pressures than America does. The differences separating Washington and Moscow are far from insurmountable. And Mr. Reagan negotiates a poor treaty, Americans will reject it.

The conventional wisdom in American political and foreign policy circles is that, given the election day and inauguration deadlines, it would be wrong or impossible to try to complete a complex, highly technical treaty. This warning stems in part from those who criticize the INF agreement and whose arguments about timing are a ploy that masks unalterable opposition to any arms control agreement. Others, who favor arms control, wonder whether the strategic arms package is too complex to complete in a few months after 15 years of trying to reach such an accord.

The areas of agreement and disagreement, however, are reflected in the joint statement issued in Moscow. The parameters of an accord have been clear since the summit meeting in Washington in December. Better years of work have sharply narrowed the disagreements. While the remaining differences, especially on the Strategic Defense Initiative and sea-launched cruise missiles, are important, they are not irreconcilable.

Thus it is not a problem of complexity but of political will in both capitals to bridge remaining differences. And even if deep cuts are made in strategic arsenals, both sides will retain more than enough nuclear warheads — more than 8,000 each.

As for deadlines, there are greater pressures on the Kremlin than on the White House to make substantial progress on arms control before the Reagan administration ends. Mr. Gorbachev needs good relations with America and foreign policy successes to strengthen his political hand against opposition to his reform agenda. The new Soviet leaders know, too, that a Reagan deal of a strategic arms pact would make it more likely for the next president to maintain the positive momentum in relations. Toward that end, the might be more forthcoming on regional issues, such as a pullout of Vietnam's forces from Cambodia.

What about entrusting the talks to those who want the Republicans to reap the benefits on election day? America's European allies and Democratic-Republican Sen. Jesse Jackson would monitor negotiations closely and are unlikely to concede vital interests. Even if the administration signed a flawed treaty for political advantage, voters would doubt the Republican candidate.

If a sound treaty were concluded and endorsed by Democratic and Republican leaders, that would make it more difficult for the opposition to the pact would be greater among elements of the Republican Party, which would reduce Mr. Reagan's incentive to proceed for purely political reasons.

The Reagan presidency's impending conclusion should be seen as an impetus, not an obstacle, to substantial progress on arms control. The prospect of a fifth summit Reagan-Gorbachev summit should encourage both governments to achieve historic treaty which for the first time would reduce the strategic arsenals of both powers. It would send America extremely well for the presidential candidates to endorse such an outcome, strongly and soon.



OPINION

When Kissinger and Vance Take the Same Pen in Hand

By A. M. Rosenthal

NEW YORK — Henry Kissinger and Cyrus Vance are worried, so they sat down and wrote a letter to George Bush and Michael Dukakis.

The very fact that they wrote together shows how concerned they are. The two former secretaries of state are men of quite different temperaments. Buckle up Superstar Kissinger and Modest Courtly Vance — caricatures, but the likeness is there.

ON MY MIND

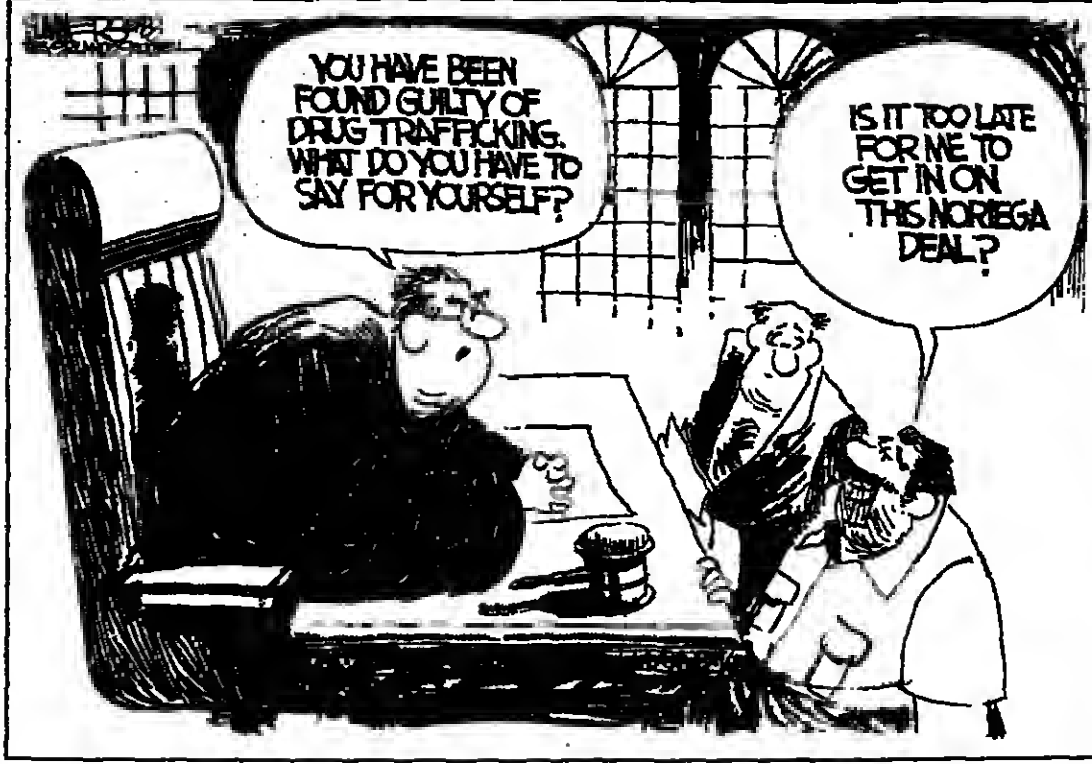
Mr. Kissinger served the Republican Richard Nixon and Mr. Vance the Democrat Jimmy Carter; they did not admire each other's presidents at all. They are both strongly individualistic. Mr. Kissinger showed that in office and shows it now every time he speaks. Mr. Vance disagreed with President Carter's decision to try to rescue the hostages held by Iran. He resigned, something secretaries of state are not wont to do.

The wildest roller-coaster ride in memory is taking place right now. Ronald Reagan has endorsed Mikhail Gorbachev, calling on the Soviet people, the United States and anybody else listening to back him and help him. You can say he is right or say he is wrong, but that is what he did in Moscow and later in London. It is now a major political reality that the Reagan administration has become a political and emotional sponsor of the Gorbachev regime, a one-party Communist dictatorship that is in the process of reform but intends to remain a one-party Communist dictatorship.

For Regular Summits

THERE will be an opportunity for an unprecedented kind of conversation between the next American president and the Soviet general secretary early next year. At the outset of their relationship, [they] should initiate a wide-ranging discussion of where they want U.S.-Soviet relations to be at the beginning of the next century and how they propose to contribute to a climate of international restraint.

It would be nice if our leaders spent less time criticizing other countries and more putting their houses in order. cameras and microphones, that he deeply understood their plight, and to explain how communism could greatly improve their economic situation.



LETTERS TO THE EDITOR

'Sermonizing' in Moscow

It's nice that Ronald Reagan gave some credit to Mikhail Gorbachev in his Helsinki speech for the extraordinary changes taking place in the Soviet Union. Changes of comparable magnitude in the United States (and there is much that needs to be changed) would be highly unlikely and just as difficult.

Soviet Jews Still Wait

In her May 25 report, "Rights in Russia: The Gray Areas Shift," Felicity Barringer reminded your readers of the many Soviet Jews still refused exit visas. Natan Sharansky, the best-known of the former prisoners of conscience, has no doubt that at least 400,000 Jews are waiting to leave. We hope they will not be forced to wait much longer.

Another Mr. Europe

Regarding "Mr. Delors Could Be Mr. Europe" by Giles Merritt (May 31): I disagree with Giles Merritt in his choice of Jacques Delors as "Mr. Europe." Michel Jobert would be even better. Certainly, he has shown himself to be the more capable of the two, Mr. Delors may be backed by the Socialist Party, but Mr. Jobert has an even greater advantage. Backed by no one, he would be completely independent.

Censorship in South Africa

Siswe H. Molatsana (Letters, May 25) wrote, "This very expression of my opinion contravenes censorship laws and could never be published in my country."

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A Road From the Outback Paved With Gold and Dust

By Peter Cole-Adams

LEONORA, Australia — This small town in Western Australia's arid outback is some 525 miles (850 kilometers) northeast of Perth by road. It is an improbable point of passage en route to the White House in Washington.

after his appointment as Bewick Morning's manager for all Western Australia. He later entered public life in the United States and became president in 1929, just in time to inherit the Great Depression.

MEANWHILE

mining engineer who became the 31st president of the United States; of John Forrest, an explorer who became the first premier of Western Australia; or of Sadie Canning, Sadie Canning? She has been matron in charge of the Leonora Hospital for more than 30 years. Given that she started life in an outback aboriginal camp, her achievement may be as extraordinary as either of theirs.

Leonora's grandest building was the two-story State Hotel, built by the government in 1902 in a bid to stop the multiplication of the illegal taverns known as sly grog shops. The town must have been a hellish place, desert-hot in summer, bitterly cold on winter nights, always dusty. Trains were filled for miles around and brought by rail to fuel the steam-driven mine plant. In Hoover's time, most of the woodsmen and many of the miners were Italians and Slavs.

The story begins with Ludwig Leichardt, a German explorer who disappeared somewhere in the middle of Australia in 1848. Twenty years later rumors reached Perth that the remains of the Leichardt expedition had been spotted in the remote interior. In 1869, John Forrest left Perth with six men to investigate. They found no trace of the lost expedition but, in the course of a journey of 2,000 forbidding miles, they did find a sizable hill in the red-soil wilderness, and Mr. Forrest named it Mount Leonora.

That brings us back to Matron Canning. She was born at a time when government policy decreed that part-aboriginal children had to be removed from their full-blooded parents. "The idea was that the full-bloods would simply die out," she recalled. "I was about four when they took me away from my aboriginal mother and put me into the Mount Margaret mission, west of Leonora."

Mr. Forrest named when Mr. Forrest next visited the spot, as premier of the state of Western Australia, in 1899. Gold had been found at Kalgoorlie in 1893, sending prospectors burrowing like rabbits all over the surrounding country. In 1896 the first claims were staked out near Mount Leonora, about 140 miles north of Kalgoorlie. One lease was taken out by a Welsh-financed syndicate called The Sons of Gwalia.

Matron Canning talks without bitterness. "My mother did not mind too much, because she lived nearby and was allowed access to me," she said. "It is fashionable now to decry the missions, but I would not be sitting here if it were not for the education given to me by dedicated people at Mount Margaret."

PASTOR CLIFF WILKINSON, Durban, South Africa.

The young Sadie put her education to good use. Finding that there were no openings for aboriginal girls in Western Australian hospitals, she went to Melbourne in 1948 to train as a nurse. She became a nursing sister at the Leonora Hospital in 1956, and the same year was appointed matron. She immediately abolished racially segregated wards.

JANE STAVROS, Paris.

The modest house of the mine manager, built on Hoover's instructions, still stands. He stayed there on a visit in 1902.

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The writer, an associate editor of The Age newspaper of Melbourne, has just completed a seven-month tour around Australia. He contributed this article to the International Herald Tribune.

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ARTS / LEISURE

'Aristocrats,' Chekhov in Donegal

By Sheridan Morley
International Herald Tribune
LONDON — Brian Friel's "Aristocrats," at last having an English premiere at the Hampstead, proves to be a marvelously Chekhovian account of an old country-house family in decline and disarray.



Jane Lapotina in "Greenland."

THE BRITISH STAGE

who has stayed at home to play Chopin and look after the dogs of a once-great dynasty.
In a rambling, talky evening during which the only dramatic change is that the family who thought they were reassembling for a wedding in fact find themselves preparing a funeral, Friel is telling us all manner of home truths about his Irish: their passion for re-inventing their past lives, their inability to live with any kind of truth except the truth that comes out of a book or a bottle, and yet the lingering power of a Donegal clan living in total social and geographic isolation above a village that no longer even knows they are there.

The trouble is that, for all its corrupt awfulness, the London of Brenton's political today is far more attractive than the wan idealism of his utopian tomorrow. The cast seems to recognize this, so that all the energy and passion displayed in the first half of Simon Curtis's agile production is allowed to drift away into a kind of drugged somnolence in the second. There are, here as in Brenton's earlier "Pravda," some savagely funny attacks on the way we live now but the moment he tries to come up with some future alternatives we are left with all the hazy optimism of some leftover 1960s guru. Better perhaps the devils you know than the dreams you've not yet worked through to any coherent conclusion, but Sheila Hancock as the zealot crusader, Jane Lapotina as the socialist politician and David Haig as the disappearing aristocrat all have their moments.

Out at the enchanting Riverside Watermill Theatre near Newbury in Berkshire, Wendy Toye has a briskly efficient revival of "Songbook" by Monty Norman and Julian More that comes as a reminder of the strengths and weaknesses of a mini-musical that ran respectably in London a decade or so ago but then died an overnight death on Broadway.

Essentially its problem is a drastic change of emphasis after the interval. The first half manages to be an acid little satire on songbook shows of the '70s in which a mythical songwriter called Moony Shapiro is seen to have written just about every song anyone can ever remember. After the interval, however, he gets involved in American politics and the show lurches from a parody of "Finian's Rainbow" to a celebration of it without ever deciding on its own position. "Songbook" may be rather more fragile

than it first appears but there are still some very good Tin Pan Alley jokes buried in that nostalgic score.

Not since Mel Brooks's memorable "Springtime for Hitler" has there been a musical of such gothic wartime eccentricity and random awfulness as Robin Hardy's "Winnale" at the Victoria Palace. Which is not to say that it will not survive there for many weeks to come. It is always possible to find crowds of irregular theatergoers willing to flock to anywhere that someone might be bringing back all the fun of the Blitz.

What we have here, though, are troops of military dancing girls swarming sexily over tanks while Virginia McKenna sings of London pride and Robert Hardy (no relation to the author) does his justly celebrated impersonation of a cigar-chomping Churchill at the political and air-raided barricades of the wartime city.

The thinking would seem to be that patriotism, apart from being the last refuge of the scoundrel, might also be a means of selling a good many theater tickets if you haven't really got a book or a score or a plot, or even much of an idea of how else musicals are made.

True, we do get the outlines of a story. In a disguised and bombed theater somewhere in Berlin late in July 1945, a group of English strolling players have mysteriously decided that what Churchill will most need after he wins the next election is to return to Germany and see a tacky musical celebration of how he won the war. Fortunately for him he lost the election, and therefore never has to see the show. We however are not that lucky, and have to sit through several hours of weird marching displays and musical numbers that would have seemed deeply inadequate on the end of a pier in 1932, let alone in Germany a dozen years later.



New York painter Frederick J. Brown being interviewed by a Chinese reporter at his show in the Museum of the Revolution in Beijing.

New York Artist Is a Hit in China

By Edward A. Gargan
New York Times Service

BEIJING — Frederick J. Brown, a 43-year-old painter from New York's SoHo neighborhood, brought his bold, loudly colored canvases to Beijing, to the mystification and delight of museumgoers.

"I don't understand what these paintings mean," a 50-year-old government worker said with a sigh. "We're used to Chinese-style painting."

But a few paintings away, a young woman who said she did history research exclaimed, "I think it has a lot of symbolism, like Beethoven's music," she said.

Brown's paintings, 100 in all, were crowded into the central gallery of the sprawling Museum of the Revolution, on the eastern edge of Tian An Men Square in the heart of Beijing.

Other American artists have displayed their work in China, including Robert Rauschenberg, who had a one-man show of collages in 1985. But Brown's exhibition, which runs through June 21, is by far the largest, and the first to appear in the Museum of the Revolution, a setting that ensures his paintings will be seen by tens of thousands of people.

Li Xin, an art lover who works in the city's Exhibition Bureau, moved mountains of bureaucracy to get Brown's paintings displayed. "It's good to hold this sort of exhibit so we can expand cultural horizons," Li said. "During our year of contact preparing for the show we've been very impressed with the depth of his art. I've been to more than 20 museums in the United States and I found that Mr. Brown has a vigorous, new style, different from other artists. He's been influenced by black music, art and dance.

"His paintings have a liquid, moving sense to

them. As I see it, it's worth spreading his art around. There is something to learn from his work."

Brown's first exposure to China came in 1985 when he lectured to art students at the Central College of Fine Arts and Crafts and demonstrated how he painted.

"What I was after was my first impressions of the population density here," Brown said. "I brought a lot of tapes and had the music going. I basically transferred my art studio to the college. These students' whole idea of the artistic experience was quite different from ours. They were used to an academic approach to portraiture. My work is much more expressionistic. I told them I don't want pure distortion; I want expression, how close you can come to expressing your exact impressions.

"I really wanted to emphasize the concentration it takes to paint. They asked me while I was working if I wanted to stop for lunch and I told them no. I said this is the pace of New York. You have to work hard. I painted for 13 hours that day."

For Brown, being American, being inculcated with the values and wealth of American culture is an integral part of his approach to his work and his exhibition in China.

"It's important to show the best of America," he said. "We brought 11,000 pounds of equipment: stretchers, frames, drills, everything we need. We wanted to show how a first-class show is put up in the United States. What I wanted to do was bring American paintings here. I'm not into anything else."

The paintings that Brown brought to China span 27 years of work, from the first picture he did as a high-school student to a portrait of the blues musician Muddy Waters.

"Music has been part of my life and work,"

Brown said. "I grew up with the blues and I paint with music. That first picture, of a fish, I got a D on that in high school. Well, I told the teacher that's how I feel. I just went on to paint what I felt."

At the show's opening, the vice minister of culture, Ying Ruocheng, known best outside China for his depiction of the prison warden in Bernardo Bertolucci's film "The Last Emperor," was shepherded around the cavernous gallery by Brown.

They stopped before a painting of a huge crimson face spotted with seven eyes, scarred with strokes in blue and black, and entitled "The Wedding Day."

"The eyes are little mirrors," Brown told the minister.

"It looks like a Peking Opera mask," Ying replied.

At another canvas, titled "Elephant Skin," Brown massaged the surface of the painting, an expanse of rough grays and blacks. "This is a painting you can touch," Brown explained. "Basically it's like touching an elephant's hide."

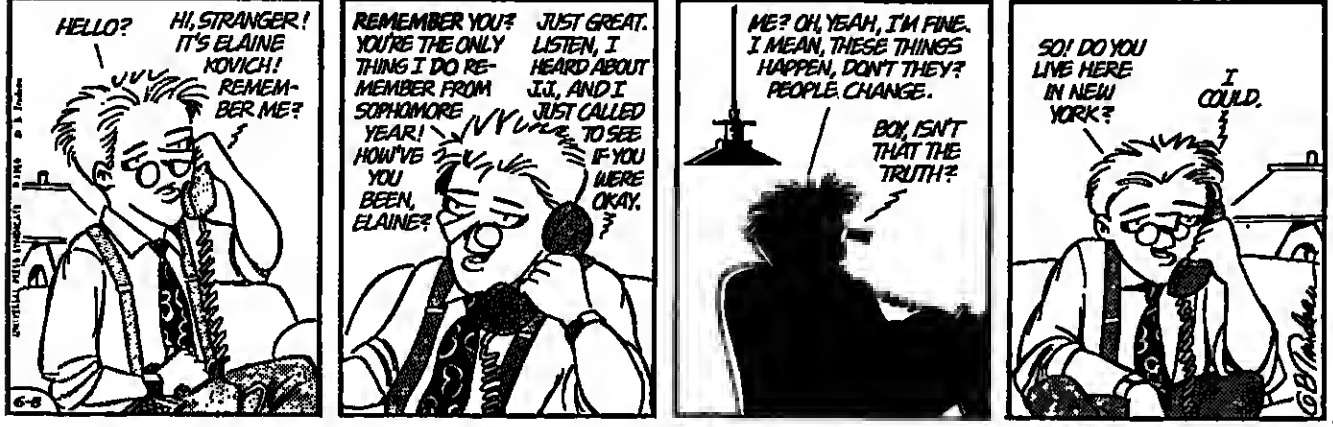
Nearby, Duan Qixiang, an amateur painter, appeared perplexed. "If I hadn't read the title, I would never have known what it was about," he said.

Everywhere in the gallery, though, people seemed absorbed by Brown's work, peering intently at the details of a canvas or standing back to take in large splashes of color.

A mother took her young daughter from picture to picture, asking, "What do you see in this?" The girl, perhaps 8 years old, would pause and then say, "It's a map," or "It's a pool of water," or "I don't know, what is it?"

Brown, who scrounged through the gallery, beamed. "If I have any effect on 3,000 years of Chinese culture," he said, "I'll have done my job."

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Vertical advertisement for 'Creative Question' and 'MADISON AVENUE' on the right edge of the page.

Handwritten signature: Joly, Wolska



WEDNESDAY, JUNE 8, 1988

Page 9

MADISON AVENUE

Ad Executives Question Proliferation of Prizes

By RANDALL ROTHENBERG

NEW YORK — The One Show, the pinnacle of advertising awards ceremonies, will take place Thursday night, with writers and art directors from more than 600 agencies vying for 45 "Gold Pencils." Just as an Oscar can resurrect a struggling studio and bring fabulous fees to an actor, a Gold Pencil can bring new clients to an ad agency and an inflated salary to an honored individual.

But now, as the busiest period for advertising awards approaches, many within the industry are asking if the One Show is one show too many.

Agency executives are saying that the industry has become obsessed with awards competitions, which now number more than 500 and include the One Show; the Clios, to be held June 17-20; and the International Advertising Film Festival in Cannes, France, scheduled June 20-25. They say agencies rely too heavily on contest prizes as a way of selling themselves in a fiercely competitive market. They fear that prize-winning ads are imitated and mimicked. In extreme cases, they say, agencies are soliciting small, compliant clients for whom they create ads to enter in contests, and even submitting ads that never ran.

Many detect a frenzied effort to do work strictly for awards rather than to serve the client.

"Awards have been distorted into big businesses and vehicles for agencies to promote themselves," said David Altschiller, the chairman of Altschiller Reitzfeld in New York and a frequent award winner. "And because they have become so important, they breed deception."

Few in advertising question the importance of these honors to an agency's creative people. "In advertising, people rarely pay you on the back; awards do that," said Meg Rosoff, 31, an award-winning writer at Backer Spielvogel Bates.

Although major advertisers routinely deny they are concerned with awards, agency executives overwhelmingly affirm their importance in luring new business. In the late 1970s, Jerry Della Femina decided to skip most awards competitions, finding them too politicized. But Della Femina, Travissano & Partners suffered from the decision, and two years ago, it decided to enter contests again.

BECAUSE of their importance to creative people and their agencies, the advertising competitions are perceived to have a variety of deleterious effects on the industry. "Awards create imitation," Mr. Altschiller said. He cited the "Real Life, Real Answers" ads created by Hill, Holliday, Connors, Cosmopolis for John Hancock Mutual Life Insurance Co., which won the chief prize at the Cannes festival in 1986. Subsequently, other advertisers began to emphasize the "reality" theme, notably Winston cigarettes, with "Real People, Real Taste," and the Beef Industry Council, with "Real Food for Real People."

Many executives also detect a frenzied effort among agencies, particularly new ones, to do work strictly for its awards potential. The strategy, they say, was perfected by Fallon McElligott in Minneapolis.

Thomas J. McElligott said that the marketing plan that he developed with the agency's co-founder, Patrick R. Fallon, in 1980 stated that they "admire award-winning advertising and would make no apology for awards."

That translated into an investment of between \$7,500 and \$10,000 in entry fees during the agency's first year, when the partners did not take salaries.

Part of Fallon's strategy, executives of other agencies said, was to seek out small clients and pro bono accounts (among them a Minneapolis barber shop and, more recently, the Episcopal Church) for which the agency could do highly creative, even daring, work without risking the client's rejection. The strategy.

See AWARDS, Page 14

Japanese Assail U.S. On Trade

Americans Urged To Be Competitive

United Press International

TOKYO — The Japanese government, in an annual report issued Tuesday, blasted the U.S. trade and budget deficits for dampening world trade and investment and called on Americans to be more competitive and produce more goods.

The 1988 White Paper on International Trade, submitted to Prime Minister Noboru Takekita's cabinet, also urged that Japan break with its strategy of emphasizing market share in foreign markets and concentrate on domestic sales.

After the cabinet meeting, Finance Minister Kiichi Miyazawa said Japan should reduce its dependency on the United States as a market for its exports.

Mr. Miyazawa urged that the proportion of U.S. sales making up total Japanese exports be reduced to between 25 and 30 percent, instead of the current 40 percent, to narrow Washington's \$59 billion trade deficit with Tokyo.

"International imbalances, especially the internal and external imbalances of the United States, are having a dampening influence on trade and investment by causing exchange rate fluctuations and destabilizing market prices," the report said.

It suggested that the United States reduce government spending, expand productive capacity, and become more competitive in quality and other aspects besides price.

The United States, with a trade deficit in 1987 of \$17.12 billion, "lacks an export-minded approach," the paper said.

The document, written by the Ministry of International Trade and Industry, said Japan and other nations with trade surpluses should import more and provide a stable supply of capital to debtor nations.

The report calls on Japan to import more from Asian countries and provide economic and technical assistance to the region. It said that Asian economies are too dependent on exports to the United States and that they lack sufficient funds for investment.

Asian countries should diversify export markets, cultivate domestic markets and secure supplies of foreign capital, the report said.

Betting on Manufacturers Hanover

Bank Faces A Showdown On Recovery

By Kathleen Day

Washington Post Service

NEW YORK — Manufacturers Hanover Corp. spent the better part of 175 years securing a top niche in U.S. banking. Now it has only a year or so to prove it can remain there, according to some Wall Street analysts.

An unusually high exposure to secured loans in the southwestern United States and Latin America makes Manny Hanny, as the company is known, the most troubled of the big U.S. money center banks. The seventh-largest U.S. bank in terms of assets, having slipped since 1986 from fourth place, Manny Hanny must prove it can overhaul outdated operations and dust off a messy image to survive as an independent institution.

"The next 12 to 15 months are crucial for them," said James McDermott Jr. of Keefe, Bruyette & Woods, a securities firm specializing in bank stocks. "They have to convince a skeptical market that their recovery is for real."

No one knows that better than John F. McGillicuddy, the chairman and chief executive of Manufacturers Hanover. When he launched a major restructuring in 1985, he warned his staff, "Either we get our act together, or someone will do it for us."

Since then, industry and government officials have debated whether Manufacturers Hanover acted soon enough to survive without a federal bailout or merger.

Now the bank's three-year effort to cut costs and reorganize seems to be paying off. The bets are stacking up in Manny Hanny's favor.

"I've been hearing that Manny Hanny is history since 1982 and they're still around," said Mr. McDermott, who just completed a comprehensive review of the company. "Do they have more problems to work out relative to their peers? Yes. But I think they have identified their problems and the worst is past."

Regulators worry that many of the largest U.S. lending institutions lack adequate reserves to absorb the losses.

Chase Manhattan Corp., the second-largest American bank company, and Chemical New York Corp., the fifth-largest, are nearly as weak as Manufacturers Hanover. And in recent years, several major banks in the West,

Midwest and Southwest have nearly collapsed.

"There's no longer room for error in the commercial banking industry," said Karen Shaw, a former lobbyist for much-troubled BankAmerica Corp. who is now an independent consultant in Washington. "Doing nothing wrong used to be enough. Now survival means doing things right, and that is a challenge to most money-center banks."

The challenge could not come at a worse time for the industry as a whole.

Congress is debating whether to let banks expand into securities, insurance and real estate, and bankers who favor deregulation see Manufacturers Hanover's recovery as vital to persuading lawmakers that banks are lean and sophisticated enough to handle these relatively riskier businesses.

Manny Hanny was known for See HANOVER, Page 11



John F. McGillicuddy has been chairman of Manufacturers Hanover Corp. since 1979, before it got into deep loan trouble.

Texaco Investors To Get a Payout From Asset Sale

Reuters

NEW YORK — Texaco Inc., fighting a takeover attempt by the financier Carl C. Icahn, said Tuesday it would pay out to its shareholders a third of the \$5 billion it is raising through asset sales.

The oil company also said it was considering selling all or part of Texaco Canada, which is considered one of its most valuable holdings.

Mr. Icahn, who holds 14.8 percent stake in Texaco, is seeking to install five directors on Texaco's 14-member board at the annual meeting on June 17. He has offered \$60 a share for Texaco, a bid that would value the company at \$14.5 billion.

In a move viewed as a response to Mr. Icahn and his bid, Texaco said it would make its special distribution to shareholders before the end of the year.

Mr. Icahn denounced the payout plan as inadequate and self-serving. "The truth is management is trying to buy time with a plan that won't sell," he said. "Their time is up: Stockholders want the right to vote for \$60."

Texaco stock closed at \$51 a share on the New York Stock Exchange, up 12.5 cents. The stock's movement appeared to reflect Wall Street's doubts that Mr. Icahn can succeed in what would be the biggest takeover in corporate history.

The form of the payout will be a share buyback or other direct shareholder participation or distribution," Texaco said. The distribution may involve use of cash or securities and has been endorsed by Texaco's board.

Alfred C. DeCrane Jr., the chairman of Texaco, said that Texaco's asset sales would probably exceed the \$5 billion target by \$150 million to \$500 million, depending on what ends up being sold.

He denied that Texaco opted for a distribution of proceeds to win votes in its proxy fight with Mr. Icahn.

"The action today is part of our program, part of filing out the restructuring, that goes back to January and February when we talked about the first \$3 billion," he said.

At that time, Texaco had pledged to sell \$3 billion of assets.

He said a share buyback was the most likely use of the proceeds.

Texaco said it would use the other two-thirds of the proceeds from the asset sale to repay debt and to fund increased capital investment.

The company also said it was studying ways to enhance the value of Texaco Canada, its 78 percent-owned Canadian subsidiary, including a possible sale, merger or joint venture involving all or part of its interest in the unit.

Mr. DeCrane said other companies had offered to buy Texaco Canada or to merge with it, but he declined to elaborate.

Mr. Icahn had proposed the sale of the Texaco Canada unit as a way of financing part of his takeover.

On Monday, West Germany's largest electric power company, RWE AG, agreed to buy Texaco's German operations for \$1.2 billion.

The announcement Tuesday that a distribution to shareholders was planned also updated other aspects of Texaco's reorganization plan, including an agreement to sell 60 million barrels of oil and gas equivalent reserves by the end of this month.

The plan also includes proposals to establish joint ventures with certain unnamed oil-producing nations that are "in advanced stages of review." The ventures would involve three Texaco refineries and related marketing facilities on the East coast and along the Gulf of Mexico.

The latest developments follow months of negotiations that began when Texaco was preparing for its emergence in April from a year under Chapter 11 bankruptcy court protection.

Texaco had filed for that protection a year earlier to avoid having to post an \$11 billion security bond while appealing a \$10.3 billion court judgment in favor of Pennzoil Co. A jury ruled Texaco had interfered with Pennzoil's 1984 attempt to acquire part of Getty Oil Co. so it could buy Getty itself.

In December, Texaco agreed to settle the suit by paying \$3 billion to Pennzoil as part of a restructuring plan.

China

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Banker Calls For Global Regulations

By Carl Gewirtz

International Herald Tribune

CHICAGO — Financial services companies should be regulated under globally consistent rules and they should be allowed to engage in any business, the chairman of one of the biggest such concerns told commercial bankers on Thursday.

James D. Robinson 3d, chairman of American Express Co., a financial conglomerate that provides an array of services including only commercial banking, said the industry needed a new regulatory framework.

Mr. Robinson was addressing the second day of the three-day annual International Monetary Conference, where bankers were considering issues relating to competition.

The new regulation he suggested should eliminate entry barriers and allow "equality of opportunity" for institutions to provide whatever services they want in a regulatory environment that is internationally consistent.

Praising the work of the Cooke Committee of the Bank for International Settlements of Basel, Switzerland, which is establishing standardized capital adequacy requirements for commercial banks, Mr. Robinson urged that "regulatory convergence also be accelerated in the global securities markets."

He also called for regulation by institution as well as by function.

This would allow financial and nonfinancial activities to be conducted in separately capitalized subsidiaries of holding companies regulated along functional lines.

But for the senior officers of 106 of the world's major commercial banks, the second day of their annual meeting presented an opportunity to discuss the future of commercial banking and the domination of the industry by so-called superbanks.

These are giant institutions that offer large ranges of financial services in their domestic markets and overseas.

Institutions targeting continental Europe are the banks "of the future," said Rainer E. Gut, chairman of Credit Suisse.

But size, warned Frederick Holding, chairman of Philadelphia National Bank, "actually seems to hinder effective customer service."

"In the past, many were convinced that size and vast diversification were the keys to success."

See BANKS, Page 15

Currency Rates

Table with columns for Currency, Bid, Ask, and other rates. Includes entries for London, Tokyo, Zurich, etc.

Source: Reuters, Bank of Tokyo, Citicorp, etc.

Interest Rates

Table with columns for Currency, Term, and Rate. Includes entries for 1-month, 3-month, 6-month, 1-year, etc.

Source: Reuters, Bank of Tokyo, Citicorp, etc.

Key Money Rates

Table with columns for Currency, Term, and Rate. Includes entries for 1-month, 3-month, 6-month, 1-year, etc.

Source: Reuters, Bank of Tokyo, Citicorp, etc.

U.S. Money Market Funds

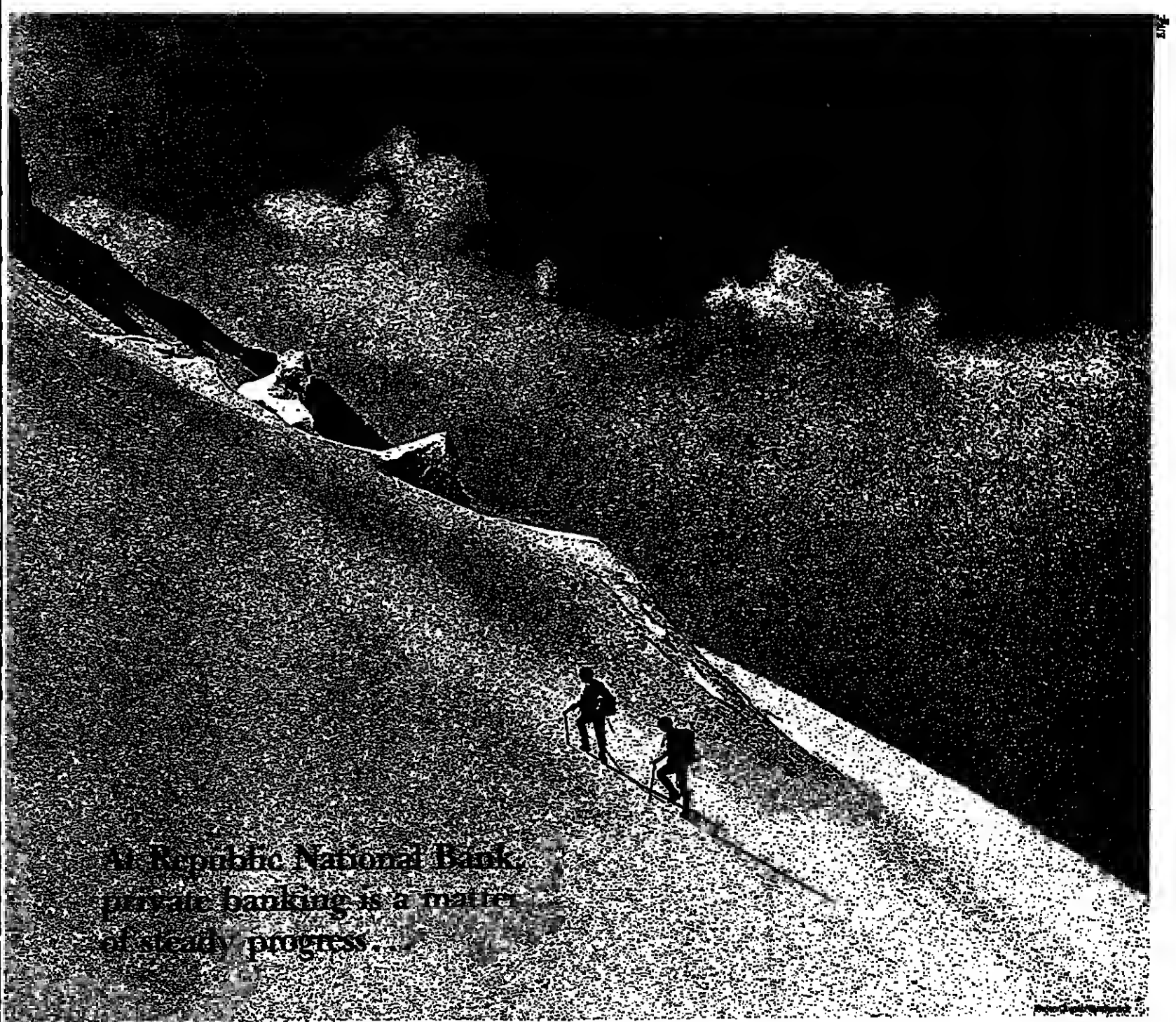
Table with columns for Fund Name, Assets, and Yield. Includes entries for Merrill Lynch Ready Assets, etc.

Source: Merrill Lynch, Telerate.

Gold

Table with columns for Location, Price, and Change. Includes entries for Hong Kong, London, etc.

Source: Reuters.



Advertisement for Republic National Bank of New York (Suisse) SA. Text includes: "rather than short cuts. As your private bankers, our mission at Republic National Bank will be to preserve and guide your assets through a changing and potentially dangerous economic climate. In our world of private banking, performance depends as much on avoiding risk as on identifying opportunities. It's a service that demands skill, endurance and a sense of partnership. Republic National Bank of New York. A matter of trust." Logo of Republic National Bank of New York (Suisse) SA. A SAFFRA BANK.

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Plans to B

Vol.	High	Low	Last	Chg.
OccPep	6607	29 1/2	29 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4

NYSE 4 p.m. volume	1847,000
NYSE prev. close	173,000
AMEX 4 p.m. volume	10,000
AMEX prev. close	1,000
OTC 4 p.m. volume	1,000,000
OTC prev. close	1,000,000
NYSE volume down	1,000,000
NYSE volume up	1,000,000
NYSE volume down	1,000,000
NYSE volume up	1,000,000
OTC volume down	1,000,000
OTC volume up	1,000,000

High	Low	Close	Chg.
Composites	128.53	128.44	-0.07
Industrials	128.53	128.44	-0.07
Utilities	128.53	128.44	-0.07
Finance	128.53	128.44	-0.07

**Tuesday's NYSE Closing**  
Via The Associated Press

Class	Prev.
Advanced	128.53
Declined	128.44
Unchanged	128.44
Total Issues	128.44
New Highs	128.44
New Lows	128.44

Close	Chg.	Week	Year
Composite	378.22	+1.25	+1.25
Industrials	378.22	+1.25	+1.25
Finance	378.22	+1.25	+1.25
Insurance	378.22	+1.25	+1.25
Utilities	378.22	+1.25	+1.25
Finance	378.22	+1.25	+1.25

Vol.	High	Low	Last	Chg.
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4

Class	Close	Chg.
Govt	102.25	+0.12
Corp	102.25	+0.12
Industrials	102.25	+0.12

Class	Prev.
Advanced	128.53
Declined	128.44
Unchanged	128.44
Total Issues	128.44
New Highs	128.44
New Lows	128.44

Buy	Sales	*Sht
June 6	185,251	317,916
June 7	207,228	369,179
June 8	174,631	312,523
June 9	181,811	322,777
June 27	174,631	312,523

Class	High	Low	Last	Chg.
Index	2647.77	2642.85	2642.85	-0.92
Utilities	127.22	127.22	127.22	-0.02
Finance	127.22	127.22	127.22	-0.02

High	Low	Close	Chg.	
Industrials	2647.77	2642.85	2642.85	-0.92
Utilities	127.22	127.22	127.22	-0.02
Finance	127.22	127.22	127.22	-0.02

Class	Prev.
Advanced	378.22
Declined	378.22
Unchanged	378.22
Total Issues	378.22

High	Low	Close	Chg.	
Index	30.49	30.53	30.53	+0.04

Tables include the nationwide prices up to the closing on Wall Street and do not reflect fore trades elsewhere.

# NYSE Falls in Moderate Trading

**United Press International**  
NEW YORK — Prices closed lower Tuesday in moderate trading on the New York Stock Exchange, after some modest profit-taking at the opening and a wave of selling in the afternoon.

The Dow Jones industrial average fell 20.62 to close at 2,654.59. The Dow had risen 3.91 on Monday.

Declines led advances by about a 4-3 ratio. Volume was 168.7 million shares, up from 152.46 million on Monday.

The Dow plunged from a modest deficit of about 5 points at 2 P.M. to a deficit of nearly 25 points before stabilizing.

"There were some sell programs" around 2 P.M. "and the buying interest that followed was just not enough to overcome the setback," said Michael Metz of Oppenheimer & Co. in New York.

Mr. Metz said market was due for a correction after the nearly 119-point jump in the Dow over the previous five sessions. "The rally has not been terminated," he said. "The market has paused for a correction. The direction is still up."

Broad market indexes also pulled back. The NYSE's composite index fell 0.87 to 149.68. Standard & Poor's 500-stock index dropped 1.88 to 265.17. The price of an average share lost 19 cents.

Before the mid-afternoon tumble, the market had recovered from an early sell-off. Participants had been encouraged by the disappearance of selling pressure and the recently improved market sentiment.

Jim Andrews, vice president in charge of

institutional trading at Janney Montgomery Scott Inc. in Philadelphia, said the market had run into some resistance Monday when the Dow approached the 2,080 level, but it could be ready to attempt to surpass the post-collapse high of 2,110.03, set April 12.

"For two or three weeks, this market has been concerned with the possibility of inflation heating up and the Fed tightening," Mr. Andrews said. "Both things have not happened. I think we are going to see a change to a 'good news is good news' scenario, rather than seeing good news as potentially bad."

Occidental Petroleum was the most active issue, off 1/4 to 26 1/2. Navistar followed, up 1/4 to 7. Varsity was third, up 1/4 to 3 1/4.

Among the blue chips, General Electric, ex-dividend, was down 1/4 to 42 1/4. Eastman Kodak was off 1/4 to 43 1/4. USX was up 1/4 to 32. Merck was down 1/4 to 54 1/4. American Express was off 1/4 to 26 1/4. and Woolworth was up 1/4 to 52 1/4.

Texasaco gained 1/4 to 51. The company said it intended to distribute to shareholders one-third of the \$5 billion it expects to raise from asset sales.

Several technology stocks were stronger. Digital Equipment was up 1/4 to 109 1/4. Cray Research was up 1/4 to 83 1/4. and Texas Instruments was up 1/4 to 47 1/4.

Prices closed mixed in moderate trading on the American Stock Exchange.

The Amex Market Value index rose 0.67 to close at 302.61. Declines, however, topped advances by about a 3-2 ratio. The price of an average share added 3 cents. Volume totaled 10.6 million shares.

Vol.	High	Low	Last	Chg.
OccPep	6607	29 1/2	29 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4

Vol.	High	Low	Last	Chg.
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4

Vol.	High	Low	Last	Chg.
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4

Vol.	High	Low	Last	Chg.
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4

Vol.	High	Low	Last	Chg.
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4

Vol.	High	Low	Last	Chg.
NovTel	2821	27 1/2	27 1/2	+ 1/4
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NovTel	2821	27 1/2	27 1/2	+ 1/4
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NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4

Vol.	High	Low	Last	Chg.
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4

Vol.	High	Low	Last	Chg.
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4

Vol.	High	Low	Last	Chg.
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
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NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4

Vol.	High	Low	Last	Chg.
NovTel	2821	27 1/2	27 1/2	+ 1/4
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NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4

Vol.	High	Low	Last	Chg.
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4
NovTel	2821	27 1/2	27 1/2	+ 1/4

Britain

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BUSINESS ROUNDUP

Cartera Plans to Buy 2% of Banesto

MADRID — Cartera Central, a key shareholder in Spain's Banco Central, said Tuesday it had agreed to buy 2 percent of Banco Español de Crédito and that it intended to raise its stake in the bank to as much as 6 percent.

A spokesman for Cartera said it agreed privately to buy several blocks of shares from Spanish and foreign investors. The purchases have not been finalized, he said, and Cartera is seeking financing.

Three weeks ago, Banco Central and Banco Español de Crédito, known as Banesto, announced plans to merge their operations and create Spain's largest commercial bank. Cartera's secretary-general, Romaldo García Ambrosio, said after the agreement was announced that Banco Central had not given Cartera any warning of the merger plan and that it was unacceptable.

Cartera holds 13.1 percent of Banco Central, making it the largest single shareholder, and has three representatives on the Banco Central board.

Cartera was set up last year as a holding company for Banco Central shares. It is jointly owned by the building group Construcción Contratas SA and the investment group Torres Hostench SA, of

which the Kuwait Investment Office in turn holds 45 percent.

"We have agreed to three or four operations with Spanish and foreign owners of blocks of shares in Banesto," the Cartera spokesman said, adding that the shares amounted to 2 percent of Banesto's stock.

Central is negotiating to acquire further shares, he said.

"We aim to acquire at least 10 percent of the merged bank," the spokesman said, "and this means acquiring 5 to 6 percent of Banesto."

French-Belgian Offer For Assubel Succeeds

BRUSSELS — Three companies from France and Belgium have acquired 52.05 percent of Assubel SA, Belgium's third biggest insurance company, through a public offer, the companies said Tuesday.

Groupe AG, Belgium's largest insurer, last month joined forces with rival holders, Groupe des Assurances Générales de France and Compagnie Belge de Participations Paribas, to acquire a controlling interest in Assubel. The group now has 71 percent of Assubel.

Nestlé, Holding 0.03%, Extends Rowntree Offer

LONDON — The Swiss foods group Nestlé SA said Tuesday that it had received acceptances for less than 1 percent of the shares of Rowntree PLC and extended its £2.1 billion (\$3.8 billion) offer until June 20.

The acceptances totaled 0.03 percent of the shares. Nestlé says it now has 15.9 percent of Rowntree, compared with the 29.9 percent stake owned by Jacobs Suchard AG, the Swiss chocolate.

Nestlé bid 890 pence a share for Rowntree on April 26. Jacobs Suchard made a 950 pence-a-share counterbid on May 26.

Share analysts said Nestlé's announcement was expected. Analysts and industry sources have said they expect Nestlé to raise its bid, possibly this week.

Rowntree shares fell 5 pence to close at 1,035 pence on the London Stock Exchange.

In Closing 2 Thrifts, U.S. Finally Drew the Line on Bailouts

By Richard W. Stevenson New York Times Service

COSTA MESA, California — In announcing that they had closed two relatively small savings and loans institutions here and would pay off depositors, U.S. regulators finally seemed to be acknowledging that sometimes they have no other solutions, analysts say.

Lacking the financial resources to liquidate or recapitalize the hundreds of ailing U.S. thrifts, the Federal Home Loan Bank Board often has chosen to keep institutions operating even though they are insolvent. It has reacted in several other cases by selling the units or merging them into healthy institutions. Only rarely does the agency close down an institution completely and liquidate it.

The liquidations of American Diversified Savings Bank and North America Savings & Loan Association together constitute by far the

largest action of their kind. The cost, which had been anticipated by industry officials, amounts to \$1.35 billion. That is more than 40 percent of the funds currently in the coffers of the Federal Savings and Loan Insurance Corp.

The FSLIC plans to pay \$1.14 billion to American Diversified depositors and \$209 million to North America depositors. The largest previous amount was \$300 million, paid in 1984 to depositors in the Empire Savings & Loan of Mesquite, Texas.

The actions come at a time when Congress and the savings industry are grappling with how to deal with hundreds of ailing institutions around the nation. Many are in the southwestern United States, where the economy has been battered by the collapse of oil prices.

Both American Diversified and North America had been technically insolvent for some time, but continued to operate under regulatory

supervision. Although they had been barred from making any new loans, they had been permitted to seek deposits by offering interest rates far above market levels.

While officials on the federal bank board said that cash liquidations of that sort would remain rare, some analysts said the move reflected a new willingness by the regulatory agency to try to solve its problems completely when the funds are available to do so.

"Up until now, the bank board has been doing deals that are basically public relations jobs," said Bert Ely, an industry consultant. "Now they seem to be willing to deal with a situation for what it really is, which is that an institution is hopelessly insolvent, and write a big check for it."

On Monday, American Diversified was offering an average rate of 8.64 percent, compared with a national average of 7.05 percent.

Fed Allows 2 Japan Banks To Acquire Primary Dealers

Compiled by Our Staff From Dispatches

TOKYO — Sanwa Bank Ltd. and Long-Term Credit Bank of Japan received permission from the Federal Reserve Bank of New York to acquire U.S. primary dealers.

The acquisitions, approved Monday, will allow them to deal directly with the Fed in buying and selling U.S. government securities.

The central bank has held up approval of the acquisitions for about a year. Observers in Japan said the Fed hesitated because of concerns in the United States about growing Japanese influence in U.S. financial markets.

Congress included in its omnibus trade bill a provision that would forbid primary dealership status to Japanese institutions until Japan permitted foreign firms the same privileges in its own market. The trade bill was vetoed by President Ronald Reagan in May. It is still uncertain whether his veto will be overridden by Congress.

Long-Term Credit Bank, Japan's second-largest long-term bank, will purchase Greenwich Capital Markets Inc., a primary dealer engaged in underwriting, trading and dealing in U.S. government securities. The sale price is \$144 million.

Sanwa Bank, Japan's fifth-largest commercial bank, was permitted to purchase a partnership interest of about 80 percent in Brophy,

IFDC JAPAN FUND

Société d'Investissement à Capital Variable

Registered Office: 2, boulevard Royal, 2953 Luxembourg R.C. Luxembourg B-21664

Notice is hereby given to the shareholders, that the

Annual General Meeting

of shareholders of IFDC JAPAN FUND will be held at the head office of Banque Internationale à Luxembourg, Société Anonyme, 2, Boulevard Royal, 2953 Luxembourg, on June 24, 1988 at 3.00 p.m. with the following agenda:

- 1. Submission of the Reports of the Board of Directors and of the Statutory Auditor.
2. Approval of the statements of Net Assets and of the statements of operations for the year ended as at March 31st, 1988; appropriation of the net profits.
3. Discharge of the Directors and of the Statutory Auditor.
4. Receipts of and action on nomination of the Directors.
5. Miscellaneous.

The shareholders are advised that no quorum is required for the items on the agenda of the annual general meeting and that decisions will be taken on a simple majority of the shares present or represented at the meeting.

In order to attend the meeting of IFDC JAPAN FUND the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Company or with Banque Internationale à Luxembourg.

The Board of Directors

Mitsubishi Says Profit Up 12%

TOKYO — Mitsubishi Heavy Industries Ltd. said Tuesday that its net profit rose 12.4 percent in the year ended March 31 to 30.80 billion yen (\$243.67 million) from 27.40 billion yen the previous fiscal year.

Current profit, similar to pretax profit, more than doubled to 63.97 billion yen from 29.80 billion yen. Earnings per share climbed to 10.07 yen from 9.61 yen while sales rose 4.47 percent to 1.87 trillion yen from 1.79 trillion.

A company spokesman said that Mitsubishi expects a 2.6 percent decline in group net profit in the current fiscal year, to 30.00 billion yen.

Britain Will Sell Post Office Savings Bank

LONDON — Britain's Conservative government announced Tuesday it would invite bids for its Post Office savings bank, but signaled its opposition to a takeover by any of the country's four major banking groups.

Girobank, the nation's sixth-biggest banking operation, "needs to expand vigorously and take on other activities to develop in the competitive world of modern banking," Trade Minister Kenneth Clarke told Parliament.

Mr. Clarke did not disclose what price the government would seek, but financial sources said they believe Girobank could be worth up to £300 million (\$343.4 million).

The bank, which is owned by the Post Office and operates through a network of 20,000 post offices, was established by a Labor Party government in 1968. The party, now in

opposition, is expected to fiercely protest the privatization.

Under the government's plan, Girobank will be offered to a single buyer rather than through a public share flotation.

Mr. Clarke said that the "Big Four" banks — National Westminster Bank PLC, Barclays PLC, Lloyds Bank PLC and Midland Bank PLC — might have difficulty

offering customers the extra choice the privatization would bring.

"I can not rule out anybody from making a bid at this stage, but I have probably given enough hints to indicate that I strongly agree with your instincts," Mr. Clarke said, replying to a Conservative parliamentarian.

Prime Minister Margaret Thatcher's government has sold off a number of government assets to private investors, but most of the privatizations have been accomplished through public share offerings.

Girobank had a pretax profit of £23.1 million in 1987 and held net assets of £100.6 million at year-end, official accounts show. Schroders PLC, which is advising the Post Office on the proposed sale, said an eventual purchaser would be subject to approval by the Bank of England and the trade and industry secretary, Lord Young.

HANOVER: Troubled Bank Faces Showdown on Whether Its Recovery Is Real

(Continued from first finance page) reads as a conservative leader whose knowledge of clients was as keenly to be gleaned on the golf course as in the board room. While competitors like Bankers Trust and Citicorp suffered during the mid-1970s from losses on real estate loans, Manufacturers Hanover strided through the decade with strong balance sheet of profitable loans to commercial and industrial companies. Its consumer banking franchise also was strong.

But in the 1980s, the world of banking became cutthroat as never before. Profits on all types of loans tanked, but especially on commercial and industrial borrowings.

Manufacturers Hanover, whose business formula had worked so well for so long, was slow to admit that times had changed and that its focus on income from loans rather than from service fees was outdated.

Some industry executives say the company recently overreacted to a mid-1970s loss on a large real estate loan, rather than focusing on earning money.

Like other banks in the late 1970s and early 1980s, Manufacturers Hanover saw the business of short-term lending to corporations drying up.

Companies had begun bypassing banks to borrow from investors' pension funds in the commercial paper market, and computer advances and increased global competition were squeezing profits on remaining loan business.

Many banks began charging fees or everything from providing locking accounts and trust services to collecting monthly mort-

gage payments on behalf of other lenders. And they began meeting the growing appetite for loans during the speculative boom in the economies of Texas and developing foreign countries.

"Everyone did it and we did it," a spokesman for Manufacturers Hanover said.

But Manufacturers Hanover went farther than many others, spurred by a decades-old lending relationship with banks in the Southwest and in South America. It had participated through those regions in a variety of loans to those banks, and when the loan demand picked up, Manny Hanny was happy to satisfy it.

Repayment depended on continued rapid inflation, however, particularly in the prices of oil and other commodities. Instead, inflation slowed, oil prices plummeted and the loans soured, leaving American banks with a problem that will plague them for years.

By 1983 and 1984, bad investments were piling up, and Manufacturers Hanover was saddled with more than other New York banks. Until the second quarter of 1987, Manny Hanny had not shown a loss for decades, but the earnings could not mask a disturb-

ing trend. Since 1983, its return on shareholder investment had dropped and its credit rating had fallen.

Regulators were worried. "McGillicuddy had never taken a hard look at the changes in the banking industry and where Manny Hanny fit in," one bank industry executive said.

Two of Manufacturers Hanover's policies continue to disturb some regulators. One is that John F. McGillicuddy, who headed the company when it got into trouble, is still at its helm. The other is that while the company is among the most vulnerable and least capitalized, it pays a higher dividend than similar banks.

of the recent cuts extended to upper-level management.

"Remember," said an employee who left a year ago, "you're talking about a company that thought of itself as never firing or laying off people, as a company that liked to see itself as a lifetime employer."

Operations had been so out of hand that Manufacturers Hanover had unknowingly lost millions of dollars for years on the standby credit arrangements it issued to import traders from India, Pakistan and Bangladesh. When it examined the operation after 1985, it found that traders were giving their profitable credit business to other New York banks and giving complex, unprofitable leftovers to Manny Hanny.

The belt-tightening has been applauded by federal officials and industry executives and has dampened persistent rumors that

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INTERNATIONAL CLASSIFIED (Continued from Back Page) ESCORTS & GUIDES ARISTOCATS London Escort Service 3 Shoubridge Street, London W1. All major credit cards accepted. Tel: 01 238 0070 (9 lines) 12 noon - midnight LONDON BELGRAVIA Escort Service Tel: 734 5877 MAYFAIR CLUB ESCORT SERVICE from 5pm BOTTICHELL (0) 10-425-4183 THE HAGUE (0) 70-60 79 94 CAPRICE-NY ESCORT SERVICE IN NEW YORK TEL: 212-37 3291 PRESTIGE NEW YORK ESCORT SERVICE (212) 648-2512 CHELSEA ESCORT SERVICE 51 Beaufort Place, London SW3. Tel: 01 594 6572/27-40 (412 pgs) GENEVA \* LOVELY \* ESCORT SERVICE. 022/21 99 61 GENEVA \* MELODIE ESCORT SERVICE. Tel: 022/461134 \* GENEVA GINGER'S \* ESCORT SERVICE. 022/ 34 41 86

Brazil Fund SA As of 1 June 1988, all activities of European Overseas Issuing Corporation SA, established in Luxembourg, with regard to Brazil Fund SA have been taken over by NMB Depository Company B.V., a subsidiary of NMB Bank, established in Amsterdam. Information about the conversion of the present BDR's issued by EIOC in Brazil Fund SA will be provided in due course. Amsterdams, 1 June 1988 NMB Depository Company B.V. Luxembourg, 1 June 1988 European Overseas Issuing Corporation SA

BUSINESS SCHOOL LAUSANNE Evening M.B.A. Program Electives available in Business Policy, Ethics, Money & Banking and Global Marketing. Also M.A.S. in M.I.E. Classes start August 8th, 1988 at 6 p.m. Contact Admissions Office: 38 rue de la Gare, P.O. Box 2290 1002 Lausanne, Switzerland. Tel: 021/27 38 33. 8% Bond Loan 1976 due 1983/1988 of US\$ 30,000,000. - NATIONALE-NEDERLANDEN FINANCE CORPORATION (CURAÇAO) N.V. The undersigned announces that the last redemption regarding the above mentioned Bond Loan will take place per June 15, 1988. The debtor has not used the possibility in conformity with article 5 of the trust deed for mandatory redemption, which means that 5,000 bonds of US\$1,000,- must be redeemed. A list of the numbers of the bonds, payable June 15, 1988, can be obtained free of charge at the trustee's. The above mentioned 5,000 bonds exclusive of coupon of June 15, 1988 will be payable as from June 15th, 1988 with the headoffice of Amsterdam-Rotterdam Bank N.V., Algemene Bank Nederland N.V., Bank Mees & Hope N.V. in Amsterdam (the Netherlands), as well as with European American Bank & Trust Company, 10 Hanover Square, New York NY 10005 (U.S.A.), Credit Suisse, Paradeplatz 8, Zürich (Switzerland), Swiss Bank Corporation, 1 Aeschenvorstadt, Basle (Switzerland), S.G. Warburg & Co. Ltd., 30 Gresham Street, London, EC2P 2EB (United Kingdom) and Banque Générale du Luxembourg, 14, Rue Aldringen, Luxembourg. The Trustee AMSTERDAMSCH TRUSTEES' KANTOOR B.V. N.Z. Voorburgwal 326-328 1012 RW AMSTERDAM Amsterdams, June 1st, 1988. BY ORDER OF THE BOARD OF DIRECTORS

FIDELITY FAR EAST FUND Société d'Investissement à Capital Variable 13, Boulevard de la Foire R.C. Luxembourg 16996 Notice of Annual General Meeting NOTICE is hereby given that the Annual General Meeting of the Shareholders of FIDELITY FAR EAST FUND, a capital variable organized under the laws of the Grand Duché de Luxembourg (the "Fund"), will be held at the principal and registered office of the Fund, 13, Boulevard de la Foire, Luxembourg, at 11 a.m. on June 28, 1988, specifically, but without limitation, for the following purposes: 1. Presentation of the Report of the Board of Directors; 2. Presentation of the Report of the Statutory Auditor; 3. Approval of the balance sheet and income statement for the fiscal year ended February 29, 1988; 4. Discharge of the Board of Directors and the Statutory Auditor; 5. Election of eight (8) Directors, specifically the reelection of the following eight (8) present Directors: Messrs. Edward C. Johnson Sr., William L. Byrne, Charles A. Freese, Hisashi Kurokawa, John M. S. Patton, Harry G.A. Seegerman, R. F. van den Hoven and Compagnie Fiduciaire; 6. Election of the Statutory Auditor, specifically the election of Coopers & Lybrand, Luxembourg; 7. Declaration of a cash dividend in respect of the fiscal year ended February 29, 1988, and authorization of the Board of Directors to declare further dividends in respect of fiscal year 1988 if necessary to enable the Fund to qualify for "distributor" status under United Kingdom tax law; 8. Proposal, recommended by the Board, to amend the provisions of Articles 8 and 9 of the Fund's Articles of Incorporation which presently provide that any owner of shares which constitute, in the aggregate, more than 3% of the number of shares the Fund is authorized to issue, may be required by the Fund to redeem that excess amount. The Board recommends that the provisions be amended to permit the Fund to require any beneficial owner of shares which constitute more than 3% of the outstanding shares of the Fund to redeem the excess; 9. Consideration of such other business as may properly come before the meeting. With the exception of item 8, approval of the above items of the agenda will require the affirmative vote of a majority of the shares present or represented in order for a quorum to be present. Approval of item 8 will require a quorum of at least a majority of the shares outstanding on the Meeting date and the affirmative vote of two-thirds of the shares present or represented at the Meeting. If a quorum is not present, item 8 may be voted on at an adjourned session of the Meeting, at which no minimum number of shares will be required to be present or represented in order for a quorum to be present. Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of shares which constitute in the aggregate more than three percent (3%) of the shares authorized for issuance, each share is entitled to one vote. A shareholder may act as any meeting by proxy. Dated: June 3, 1988 BY ORDER OF THE BOARD OF DIRECTORS



Tuesday's NYSE Closing

Tables include the following prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 Week High, Low, Open, Close, Chg.

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Table with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 Week High, Low, Open, Close, Chg.

U.S. Futures

Via The Associated Press

Table with columns: Season High, Low, Open, High, Low, Close, Chg.

Currency Options

Table with columns: Philadelphia Exchange, Bid, Ask, Prev. Close, Chg.

Food

Table with columns: Bid, Ask, Prev. Close, Chg.

Metals

Table with columns: Bid, Ask, Prev. Close, Chg.

Stock Indexes

Table with columns: Bid, Ask, Prev. Close, Chg.

Commodity Indexes

Table with columns: Bid, Ask, Prev. Close, Chg.

Earnings of U.S. Banks Rose in First Quarter

WASHINGTON — Earnings at U.S. commercial banks rebounded in the first three months of this year as improvement among Midwestern farm banks and at the largest banks offset a dismal performance in Southwest oil states, the government said Tuesday.

NYSE Highs-Lows

Table with columns: NEW HIGHS, NEW LOWS, Bid, Ask, Prev. Close, Chg.

AMEX Highs-Lows

Table with columns: NEW HIGHS, NEW LOWS, Bid, Ask, Prev. Close, Chg.

London Commodities

Table with columns: Bid, Ask, Prev. Close, Chg.

London Metals

Table with columns: Bid, Ask, Prev. Close, Chg.

Dividends

Table with columns: Company, Dividend, Ex-Dividend Date, Yield.

U.S. Treasuries

Table with columns: Bid, Offer, Yield, Prev. Yield.

Paris Commodities

Table with columns: Bid, Ask, Prev. Close, Chg.

DM Futures Options

Table with columns: Bid, Ask, Prev. Close, Chg.

Penske and GE Capital In Truck-Lease Venture

DETROIT — Penske Corp. and General Electric Capital Corp. have agreed to combine their truck leasing subsidiaries into a joint venture with assets of \$1.5 billion and annual revenue of about \$750 million.

Growth Slows In U.S. Borrowing

WASHINGTON — Annual growth in U.S. borrowing slowed to 7.2 percent for all of 1982, according to the Federal Reserve Board.

Vertical advertisement on the right edge of the page, partially obscured and containing various text and graphics.







BUSINESS ROUNDUP

Bahrain Firm Has Big Gucci Stake

MILAN — Investcorp, a Bahrain investment bank, identified itself Tuesday as the mystery buyer that had acquired nearly half of the Italian fashion house Guccio Gucci SpA.

Ferrari Sale to Fiat Expected

MILAN — Enzo Ferrari, 90, the ailing founder of one of Europe's most prestigious sports and racing car makers, is poised to sell his holding in the company to Fiat SpA, according to Italian news reports Tuesday.

6 Japan Firms Settle Suits Over Chloroquine

TOKYO — Six Japanese drug companies will pay 4.76 billion yen (\$37.66 million) to settle suits involving 93 people blinded in a side effect of a kidney medicine, spokesmen for the companies said Tuesday.

U.S. Tobacco Sector Likely to Weather Risky Suit

By Malcolm Gladwell

WASHINGTON Post Service

WASHINGTON — After a string of more than 300 legal victories dating back to 1954, the U.S. tobacco industry appears to be facing the greatest risk yet of losing a product liability suit.

Jury Considers Liability

NEWARK, New Jersey — The jury that is deciding if three cigarette companies are to blame for a woman smoker's death from lung cancer was briefed Tuesday on the applicable laws.

has leveled off. The proportion of those who smoke daily was up to 16.9 percent in 1986 after dropping more than 3 percentage points to 15.9 percent after the tax was raised.

But steeper declines than that are unlikely, according to various studies of tax levies. However, the study likely to quit because of price changes are teen-agers, who presumably represent the future of the industry. In addition, higher prices do not result in lower consumption across the board; they result in some people quitting or never starting.

Yet the threat to the industry can be overestimated. Bills to ban tobacco advertising have been introduced in Congress but have yet to be given serious consideration, largely because of concerns that such legislation would be a violation of the First Amendment.

More serious political threats, perhaps, is higher excise taxes. In 1983, after the federal excise tax on cigarettes was raised by eight cents, the industry suffered one of its worst years in history, with sales dropping 5 percent.

AWARDS: Ad Executives Complain of Proliferation

(Continued from first finance page) The clients that Ogilvy serves in Chicago include General Foods, Boeing, Seagram, American Express and Polaroid.

BUSINESS SCHOOL LAUSANNE Bachelor of Science (Business) now available in the evenings.

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ATTENTION EXECUTIVES Add to your business in the International Business Center.

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BUSINESS OPPORTUNITIES OFFSHORE COMPANY FORMATION Specialist Offshore Company Formation.

BUSINESS OPPORTUNITIES COMPANY FORMATION U.K. AND WORLDWIDE Search for: Tax consultancy, Business plan, etc.

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EXECUTIVE SEARCH SERVICES Ltd. Executive Search Services.

AIRSTRIPE FOR SALE Complete land and float plane facility on 42 ac.

IMPROVED PERFORMANCE AND SERVICES ON YOUR SWISS PORTFOLIO We will manage your account.

£1,000,000 PLC requires above loan fully secured on freehold properties.

FOR SALE Small Dutch software organization, Specialized in DEC-VAX machines.

FOOTBALL IN THE USA New York based well established building products distributor.

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WORLD MARKETS IN REVIEW AVAILABLE BELOW MARKET PRICES Large quantity available.

BOSS - GENEVA Multilingual Secretarial help, Typing, telephone facilities.

OTC MARKET Drifts Lower... Various financial and business advertisements.



CURRENCY MARKETS

Dollar Drifts Lower in New York

NEW YORK — The dollar drifted lower Tuesday in quiet trading in New York and Europe, pressured by statements from world economic leaders, dealers said.

London Dollar Rates

Table with columns: Currency, Bid, Ask, and Source. Includes Sterling, Deutsche Mark, Swiss Franc, and Japanese Yen.

The money market lending rate, to 8.5 percent from 8 percent, was more a reflection of worries about British inflationary pressures than a means of halting the pound's slide.

Seoul to Ease Won Limits

SEOUL — South Korea is planning a four-part program to make the won an international currency by gradually easing foreign exchange restrictions, Finance Ministry officials said Tuesday.

Japan's Strong Exports Worry Economists

TOKYO — Despite recent declines in Japan's merchandise trade surplus, a growing number of economists here believe that further improvement can only come if the yen rises further, making the nation's exports more expensive on world markets.

LUXURY: Big U.S. Spenders Seem in a Hurry to Forget the Last Crash

For buyers of deluxe housing, the demand for the most expensive apartments in New York — those priced at \$1.2 million and up — appears to be as strong as ever.

BANKS: A Call for Global Rules

from banks deemed to be engaged in overly risky business, Mr. Feldman said, it would serve as a warning to managers that they should take corrective action.

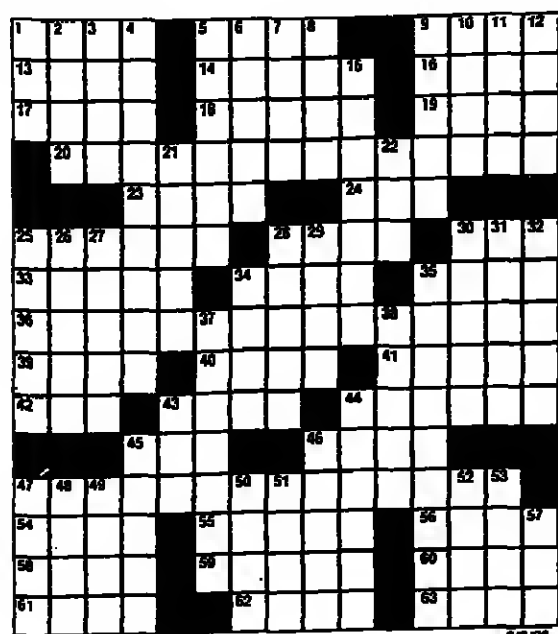
Financial advertisement for 'Tuesday's OTC Prices' listing various stocks and their prices. Includes a 'NASDAQ prices as of 4 p.m. New York time' note.

Table of stock prices for various companies, including columns for stock name, price, and change.

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- ACROSS**
- 1 Throw things at
  - 5 Frolic
  - 9 Compent
  - 13 "Type" sequel
  - 14 Bitter tonic
  - 16 Neighbor of Burma
  - 17 Tuscan city
  - 18 Very buoyant wood
  - 19 Conspire
  - 20 Writer's question to diner
  - 23 Cast off
  - 24 Spy org.
  - 25 Thracks
  - 28 Celtic family group
  - 30 Butter
  - 32 Public esteem
  - 34 Woolful word
  - 35 Long story
  - 36 Start of reply to 20 Across
  - 38 Frustrate
  - 40 Soothe
  - 41 Wee
  - 42 La's predecessor
  - 43 For contribution
  - 44 Raises one's
  - 45 Teckie's second
- DOWN**
- 1 Soft drink
  - 2 OPEC V.I.P.
  - 3 Bring up the field
  - 4 Coffee, etc.
  - 5 Long story
  - 6 Chan
  - 7 Furry barker
  - 8 100 centavos
  - 9 Omega's opposite
  - 10 Indonesian island
  - 11 Plunder
  - 12 Italian princely name
  - 15 Caustic language
  - 16 "When" 1837 hit time
  - 17 Take all the marbles
  - 18 Veer
  - 19 Word with cycle or boat
  - 20 Neighbor of Burma
  - 21 Almost but not quite
  - 22 Behindhand
  - 23 Has rank
  - 24 Deputy
  - 25 Martin end
  - 26 Med.-school subj.
  - 27 Least shaky
  - 28 Alumni-to-be
  - 29 Bikini, for one
  - 30 Segment
  - 31 Card, etc.
  - 32 40 word
  - 33 Entertain
  - 34 Judicial writ
  - 35 Joe's biblical follower
  - 36 Furry barker
  - 37 100 centavos
  - 38 Omega's opposite
  - 39 Indonesian island
  - 40 Plunder
  - 41 Italian princely name
  - 42 Deep puff
  - 43 Conceit

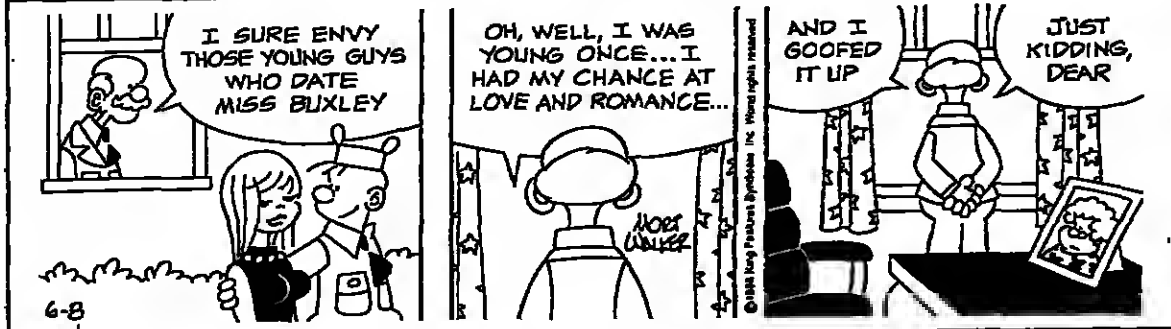
PEANUTS



BLONDIE



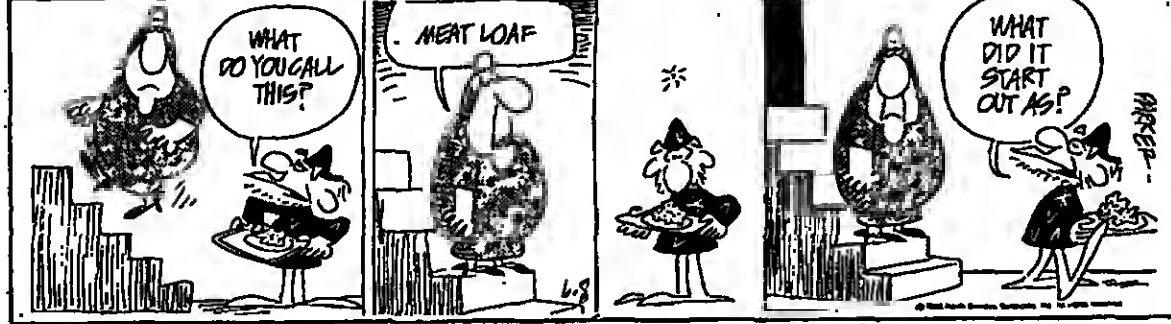
BEEBLE BAILEY



ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



TRAVELLER

By Richard Adams. 270 pages. \$18.95. Alfred A. Knopf, 201 East 50th Street, New York, N.Y. 10022.

Reviewed by Michiko Kakutani

REMEMBER Mr. Ed, U.S. television's talking horse? Ed was an outspoken smart aleck; he read newspapers and comic books, worried about his health, liked Chinese-modern furniture and spoke out against violence on television. Ed could sing and dance and, devoted as he was to his master, he wasn't above pulling the occasional practical joke on poor Wilbur.

All in all, Ed — or for that matter, his predecessor, Francis the Talking Mule — was a brighter and more amusing fellow than Traveller, the narrator and hero of Richard Adams's latest novel.

Adams, of course, is the man who previously gave us talking bunnies ("Watership Down") and talking dogs ("The Plague Dogs"), and now, in "Traveller," he attempts to give us a chronicle of the Civil War as seen from the point of view of Traveller, General Robert E. Lee's favorite horse. Apparently the idea came from an observation the general himself once made — that a poet might profitably "dilate upon" Traveller's "sagacity and affection and his invariable response to every wish of his rider. He might even imagine his thoughts through the long night-marches and days of battle through which he has passed."

In an effort to make his narrative sound authentic, Adams says he has made Traveller speak in a "Virginia idiom," but the horse unfortunately comes across sounding like a cross between Scarlett O'Hara's black mammy and one of the Waltons. When he's not worrying about his master's health and well-being, he's busy moralizing or dispensing tired bits of homespun wisdom.

As in Adams's earlier books, the follies of human beings — especially their penchant for killing one another — are lamented by the ever-so-much-wiser animals. But because he's chosen to base his narrative on historical events, Adams is prevented from creating a fully imagined society among his animals. As a result, Traveller is pretty much confined to commenting on the day-to-day progress of various campaigns.

BOOKS

No doubt Traveller's account of his war experiences has been conceived as some sort of Bildungsroman: When he leaves for war, he's a young, naive horse, no more than a foolish colt, really; when he returns, several years later, he's a veteran campaigner who's witnessed death and destruction. Unfortunately, neither young Traveller nor old Traveller seems to possess much horse sense: He mistakes his master's funeral for a military exercise, and years after Lee's surrender he continues to believe the South won the war.

There's something condescending about Adams's decision to make Traveller suffer from these delusions: It undermines the horse's credibility as a narrator and it makes him seem to be not a noble steed but a plain, old-fashioned dope — a category usually reserved, in the author's books, for mere human beings.

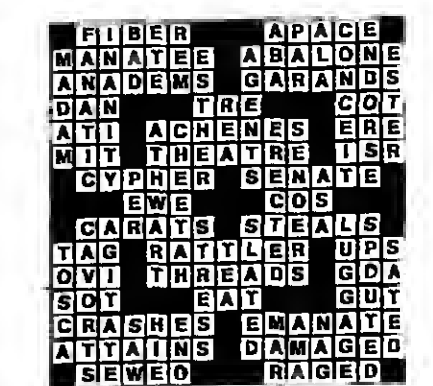
Michiko Kakutani is on the staff of The New York Times.

BEST SELLERS

- The New York Times
- The list is based on reports from more than 1,200 bookstores throughout the United States. Weeks ending at 12:01 a.m. local time.
- FICTION**
- 1 ZOYA, by Danielle Steel
  - 2 THE ICEBERG KING, by Robert I. Lynd
  - 3 LOVE IN THE TIME OF CHOLERA, by Gabriel Garcia Marquez
  - 4 BLACK STAR, by Jackie Jackson
  - 5 THE BONFIRE OF THE VANITIES, by Tom Wolfe
  - 6 PEOPLE LIKE US, by Thompkins Dunne
  - 7 FREAKY DIAKY, by Elmore Leonard
  - 8 TREASURE, by Clive Cussler
  - 9 THE MISTY HILLS, by Judith Mickelthwait
  - 10 THE STRIKE, by Betha Plan
  - 11 THE SHIELD, SEEKERS, by Rosemary Plecher
  - 12 SCORPIUS, by John Gardner
  - 13 PRELUDE TO FOUNDATION, by Isaac Asimov
  - 14 CRIMSON IDOL, by Robert R. Parker
  - 15 THE MYSTERIES OF PITTSBURGH, by Michael Chabon

- NONFICTION**
- 1 FOR THE RECORD, by Donald T. Regan
  - 2 A BRIEF HISTORY OF TIME, by Stephen W. Hawking
  - 3 MOONWALK, by Michael Jackson
  - 4 TRUMP, by Donald J. Trump with Tony Schwartz
  - 5 WASHINGTON GOES TO WAR, by David Barkley
  - 6 SPEAKING OUT, by Larry Speakes with Robert Pack
  - 7 THE RISE AND FALL OF THE GREAT POWERS, by Paul Kennedy
  - 8 1994, by Richard Nixon
  - 9 THRIVING ON CHICKS, by Tom Peters
  - 10 LIFE MEDICINE & MIRACLES, by Benic S. Siegel
  - 11 CHAOS, by James Gleick
  - 12 FREUD, by Peter Gay
  - 13 THE POWER (JANIE), by Helrick Smith
  - 14 BATTLE CRY OF FREEDOM, by James M. McPherson
  - 15 THE TRIAL OF SOCRATES, by T.E. Stearns
- ADVICE, HOW-TO AND MISCELLANEOUS**
- 1 THE 7-WEEK CHOLESTEROL CURE, by Robert E. Kim
  - 2 SWIM WITH THE SHARKS WITHOUT BEING EATEN ALIVE, by Harry Mack
  - 3 WEBSTER'S NINTH NEW COLLEGIATE DICTIONARY
  - 4 WEBSTER'S NEW WORLD DICTIONARY
  - 5 CONTROLLING CHOLESTEROL, by Kenneth H. Cooper

Solution to Previous Puzzle



BRIDGE

By Alan Truscott

THE Eastern Conference Regional Championships, the focal point of the year for players in New York City, began last week at the Penta Hotel in Manhattan. If a knowledgeable kibitzer at the Easterns should watch the play of the diagrammed deal, he would be able to judge whether an expert or a novice is at work. Three Rounds of clubs are led against four spades, and South ruffs. The expert will proceed differently. This player will start by playing diamonds and ruffing the slight risk that West will overruff. Remembering that West's play has shown five clubs, South assumes spade shortage, leading to the spade ace and running the spade jack. When this wins, as it does, South is in a double-void, who has learned "eight ton spade queen. West will ever, nine never," will play the score that card but be end-top trumps, and feel slightly aggrieved when the queen does not fall. The novice will then of trumps — not likely with make an attempt to guess the eight known cards in minor location of the heart queen and suits — will South have to guess

the hearts. And when that happens, South will be a knowing that East began with four of the missing six hearts.

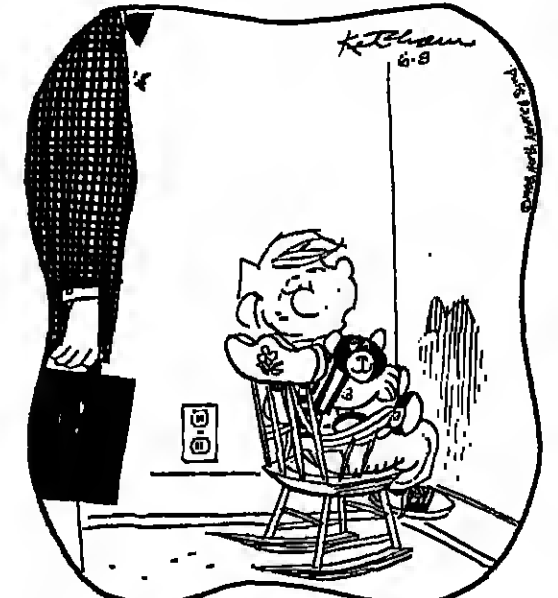
**NORTH (D)**  
♠ A J 2  
♥ C A 10 4  
♦ A K 5  
♣ A 7 6

**EAST**  
♠ Q J 5  
♥ C 9 8  
♦ Q 9 8  
♣ Q 10 5 3 2

**SOUTH**  
♠ K 10 9 8 7 6  
♥ K J 5  
♦ C 2  
♣ J 8

Neither side was vulnerable. **West led the club three.**

DENNIS THE MENACE



"I HOPE YOU'D BRING HOME ANY NONSENSE, DAD, 'CAUSE MOM ISN'T GONNA PUT UP WITH ANY MORE OF IT."

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

- SUMEO**
- LAVIA**
- YOGAVE**
- SAUNAE**



WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	28	18	Beijing	28	18
Amsterdam	25	15	Bombay	32	22
Berlin	22	12	Hankow	30	20
Bombay	32	22	Hong Kong	30	20
Buenos Aires	28	18	Kobe	28	18
Calcutta	32	22	Manila	30	20
Cairo	32	22	Osaka	28	18
Chicago	28	18	Seoul	28	18
Columbus	28	18	Singapore	32	22
Dallas	28	18	Tokyo	28	18
London	28	18			
Los Angeles	28	18			
Madrid	28	18			
Mexico City	28	18			
New York	28	18			
Paris	28	18			
Prague	28	18			
Rome	28	18			
San Francisco	28	18			
Stockholm	28	18			
Taipei	28	18			
Washington	28	18			
Zurich	28	18			

World Stock Markets

Via Agence France Presse. Closing prices in local currencies, June 7

Amsterdam	Osaka	London	Stockholm
ABN Bank 34.50	Asahi 1770	British 147.50	Alfa Romeo 1100
ACE Holding 28.00	Daewoo 1000	Continental 147.50	Alfa Romeo 1100
Alcoa 11.25	Daewoo 1000	Deutsche 147.50	Alfa Romeo 1100
Alcan 11.25	Daewoo 1000	Edison 147.50	Alfa Romeo 1100
Alcatel 11.25	Daewoo 1000	EnBW 147.50	Alfa Romeo 1100
Alstom 11.25	Daewoo 1000	EnBW 147.50	Alfa Romeo 1100
Alstom 11.25	Daewoo 1000	EnBW 147.50	Alfa Romeo 1100
Alstom 11.25	Daewoo 1000	EnBW 147.50	Alfa Romeo 1100
Alstom 11.25	Daewoo 1000	EnBW 147.50	Alfa Romeo 1100
Alstom 11.25	Daewoo 1000	EnBW 147.50	Alfa Romeo 1100

Stockholm	Sydney	Stockholm	Sydney
Alfa Romeo 1100	Alfa Romeo 1100	Alfa Romeo 1100	Alfa Romeo 1100
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Tokyo	Sydney	Tokyo	Sydney
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Toronto	Sydney	Toronto	Sydney
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Handwritten signature or mark.



SPORTS

Europe's Showdown: Beauty, Beastliness

International Herald Tribune
LONDON — "I don't know if we'll win this European championship, but people will enjoy watching us try."

on destroying the world's premier soccer sport. Anyone who witnessed the close of England's league season can sense the potential tragedy brewing in West Germany.

they clean up their acts when big money's on the line? Some, taught as children to steal yards at free kicks, might never have graduated had they failed to show winner-takes-all "mental toughness."

Even attackers, supposedly at the glamorous end of the field, are soured. If deadlock is breached in Friday's opening match, the likeliest scorers would be West Germany's Rudi Voller or Italy's Gianluca Vialli.

failed old internationals returned to be splattered by tomatoes. Stage one, defense, is nearly completed; Italy will be damnable hard to score against. Stage two, the winning and the scoring, is sometimes delivered by the opportunistic Vialli.

After his wretched performances lately, even West Germans suspect he is an illusionist. Beckenbauer, knowing how fast Voller can sprint, how well he heads, how intuitively he senses a half-chance, concludes: "When Rudi wants to play, then he will play." West Germany's \$42,000-per-man victory bonus suggests Voller will come out firing on Friday.



A Dusseldorf policeman, displaying two anti-violence stickers that will be in evidence throughout the European soccer tournament.

Rob Hughes is on the staff of the Sunday Times.



Carl Schuchman/Agence France Press

Barkley Stops Hearns in 3d Round to Win WBC Crown

Ian Barkley decked Thomas Hearns twice in the third round Monday night in Las Vegas to win the WBC middleweight championship. Hearns was pounding the 4-1 underdog when Barkley landed two devastating rights late in the round; Hearns fell backward, rolled to his knees and just beat the count.

Johnson the Key as Lakers Try to Repeat as Titlists

By Sam Goldaper
NEW YORK — And now for Magic Johnson and the Los Angeles Lakers. So far in the National Basketball Association playoffs, the Detroit Pistons have figured out a way to beat the Lakers.

Laker team of individual stars, has become an outstanding shooter. Learning to use picks well, he is averaging 19.9 points in the playoffs. Dumars is also reaching star level, but more for his defense.

Gwynn Spoils Browning's No-Hitter With Single in 9th; Reds Win, 12-0

SAN DIEGO — Two outs away from a no-hitter Monday night, Tom Browning took on a two-run battering champion and lost.

SEATTLE (UPI) — The Seattle Mariners fired manager Dick Williams late Monday and named first-base coach Jimmy Snyder as his interim replacement.

Yankee Manager Billy Martin: 'It's a war'

Frank White singled in both runs in the second inning, making a winner of Steve Farr, who filled in for the ailing Floyd Bannister. It was Farr's first victory as a starter since Sept. 6, 1985.

Coach Fitch Axed by Rockets of NBA

HOUSTON (UPI) — Bill Fitch, who coached the Houston Rockets to the National Basketball Association finals in 1985, was fired late Monday after a season in which he was repeatedly criticized for his team's inconsistent play.

Quotable

Evelyn Ashford, saying she will concentrate on the 100 meters for the Seoul Olympics: "If you win the 100, it means you're the world's fastest woman. If you win the 200, it means you're a good 200 runner." (LAT)

SCOREBOARD

Table with columns for BASKETBALL, BASEBALL, and TENNIS. Includes NBA Playoff Leaders, Monday's Line Scores, Major League Standings, and Pro Leaders.

Baseball Roundup

Dave Concepcion and third baseman Chris Sabo, Browning wound up with his second career no-hitter as the Reds romped, 12-0. "I sure as heck had no intention of walking him," said Browning, who one-hit Chicago on June 4, 1986.

Sidelines

SEATTLE (UPI) — The Seattle Mariners fired manager Dick Williams late Monday and named first-base coach Jimmy Snyder as his interim replacement. Ozzie Virgil, the third-base coach, was also dismissed.

Transition

BALTIMORE — Purchased the contract of Jim Trotter, first baseman-outfielder, from Rochester of the International League. Optioned Keith Mumphrey, outfielder, to Rochester.

European Championship

Group 1: West Germany, Italy, Denmark, Spain. Group 2: England, Ireland, Netherlands, Soviet Union.

Kirin Cup Final

Flamengo 1, Bayer Leverkusen 0.

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BLANCPAIN advertisement featuring a watch image and text: 'SINCE 1735 THERE HAS NEVER BEEN A QUARTZ BLANCPAIN WATCH. AND THERE NEVER WILL BE.'

GOLY FILS & STAHL advertisement with contact information: 'GOLY FILS & STAHL, 17425 S. GARDEN AVENUE, GLENDALE, CA 91204-1400'.



OBSERVER

Exorcising Exercisers

By Russell Baker
NEW YORK — People are moisturizing their faces. Yes, that is one of the many fascinating things that are happening in America. Face moisturizing. They do it with moisturizing cream. Sometimes with moisturizers.

millions of Americans wanting to save time by being exercised while moisturizing on their exercisers.
Many Americans have tried this three-in-one time-saver and report excellent results. Mr. K. O.B. of Denver, for instance, was arrested by Treasury agents recently for selling time without a federal tax stamp.

Best-Selling Rybakov: 'I Can Talk Like Stalin'

By Kevin Kloze
WASHINGTON — By any American measure of celebrity, Anatoli Rybakov is an unlikely icon. He is 77, an artifact of a man, rooted by memories in a past that millions once thought dead and buried.

though neither speaks English. As they were accompanied by a young American translator, Anthony Richter, the language barrier tumbled down.
"Children of the Arbat" recaptures a painful past, telling the incomplete fates of a group of young Muscovites who grew up together in the 1930s in the Arbat, one of the capital's historic streets.

everything else out of the way. The more I wrote, the more he dominated the story.
"Who did I know about Stalin? I am a writer. A writer has to know everything about the things he writes of. What exactly did I know? I read all the newspapers, I read all his speeches, all the meetings which were held in his name. I have the stenograms of all the legal proceedings. I talked with many people who knew Stalin or were part of his circle.



Anatoli Rybakov wrote long-delayed 'Children of the Arbat'.

of political impurity and sent into Siberian exile in a hamlet on the Angara River, far to the east of the capital. In bringing Sasha to life, Rybakov revisited the hamlets of his exile, and 'Children' evokes their gritty scenes of hardship, dissolution, disorder and abandonment.
Unlike Solzhenitsyn, Rybakov believes in the permissibility of Marxism-Leninism, endorses the Revolution and backs Gorbachev's perestroika.

PEOPLE

5,000 Join Kennedys At a Service for Robert

About 5,000 people joined the Kennedy family at the grave of Robert F. Kennedy for a sunset "Mass in joyful remembrance" of the senator who was slain 20 years ago, just after his victory in the California presidential primary.
This was the first time that the family has opened to the public its annual memorial service at Arlington National Cemetery, held near where his brother, John F. Kennedy, the 35th president, is buried.

TODAY'S INTERNATIONAL BUSINESS MESSAGE CENTER
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